

NEW ISSUE -- BOOK-ENTRY ONLY

NOT RATED

In the opinion of Bond Counsel, under current law and assuming continuing compliance with certain covenants and with the requirements of the Internal Revenue Code of 1986, as amended (the "Code"), as described herein, and subject to conditions described in "TAX MATTERS" herein, interest on the Series 2022A Bonds will not be included in the gross income of the owners thereof for federal income tax purposes. Under current law, the Series 2022A Bonds, their transfer and the income therefrom, including any profit made on their sale, are free from taxation by the Commonwealth of Virginia and its political subdivisions. See "TAX MATTERS" herein for further information regarding certain provisions of the Code and the Code of Virginia that may affect the tax treatment of interest on the Series 2022A Bonds for certain bondholders.

\$13,000,000*
WEST FALLS COMMUNITY DEVELOPMENT AUTHORITY
REVENUE BONDS
SERIES 2022A

Dated: Date of Initial Delivery**Due: September 1, as shown below**

This Limited Offering Memorandum has been prepared on behalf of the West Falls Community Development Authority (the "Authority") to provide information on the Authority's \$13,000,000* Revenue Bonds, Series 2022A (the "Series 2022A Bonds"). Selected information is presented on this cover page for the convenience of the reader. This cover page is not a summary of the issue. To make an informed decision regarding the Series 2022A Bonds, a prospective investor should read this Limited Offering Memorandum in its entirety.

The Series 2022A Bonds are limited obligations of the Authority, payable solely from and secured by a pledge of certain Special Assessment Revenues (as defined herein), subject to appropriation by the City Council of the City of Falls Church, Virginia (the "City"), and certain funds established under the provisions of a Trust Indenture, dated as of [_____] 1, 2022 (the "Indenture"), by and between the Authority and U.S. Bank Trust Company, National Association, as trustee (the "Trustee"). The Series 2022A Bonds are being issued to provide funds (i) to finance certain public infrastructure improvements within or serving the West Falls District, as described herein, (ii) to fund a debt service reserve fund for the Series 2022A Bonds, (iii) to fund certain construction period interest on the Series 2022A Bonds, (iv) to fund certain administrative expenses relating to the Series 2022A Bonds and (v) to pay certain costs relating to the issuance of the Series 2022A Bonds.

MATURITY, PRINCIPAL AMOUNT, INTEREST RATE AND PRICE

\$ _____ * _____ % Term Bond maturing September 1, 20____, priced at _____ % CUSIP No.† _____
 \$ _____ * _____ % Term Bond maturing September 1, 20____, priced at _____ % CUSIP No.† _____

Interest on the Series 2022A Bonds is payable on March 1 and September 1 of each year, commencing September 1, 2022. The Series 2022A Bonds are being issued in fully registered book-entry form, initially registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). Individual purchases will be in principal amounts of \$100,000 or any integral multiple of \$5,000 in excess thereof provided that, if the Series 2022A Bonds achieve certain ratings as described herein, the Series 2022A Bonds shall be issuable in principal amounts of \$5,000 or any integral multiple of \$5,000. Principal of and interest on the Series 2022A Bonds will be paid by the Trustee to DTC for subsequent disbursement to DTC Participants, which will remit such payment to the beneficial owners of the Series 2022A Bonds. See the section "THE SERIES 2022A BONDS – DTC and Book-Entry-Only System" herein.

The Series 2022A Bonds are subject to optional redemption, mandatory sinking fund redemption and special mandatory redemption as described herein.

THE SERIES 2022A BONDS ARE INITIALLY BEING OFFERED ONLY TO "QUALIFIED INSTITUTIONAL BUYERS" WITHIN THE MEANING OF RULE 144A OF THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"). THE SERIES 2022A BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT, IN RELIANCE UPON THE EXEMPTION PROVIDED BY SECTION 3(A)(2) OF SUCH ACT. NO ACTION HAS BEEN TAKEN TO QUALIFY THE SERIES 2022A BONDS FOR SALE UNDER THE SECURITIES LAWS OF ANY STATE.

THE PURCHASE OF THE SERIES 2022A BONDS IS AN INVESTMENT SUBJECT TO A HIGH DEGREE OF RISK, INCLUDING THE RISK OF NONPAYMENT OF PRINCIPAL AND INTEREST. SEE THE SECTION "CERTAIN BONDHOLDERS' RISKS" FOR A DISCUSSION OF CERTAIN FACTORS THAT SHOULD BE CONSIDERED, IN ADDITION TO THE OTHER MATTERS SET FORTH HEREIN, IN EVALUATING THE INVESTMENT QUALITY OF THE SERIES 2022A BONDS.

NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE COMMONWEALTH OF VIRGINIA (THE "COMMONWEALTH") OR ANY POLITICAL SUBDIVISION OF THE COMMONWEALTH, INCLUDING THE CITY, IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR REDEMPTION PREMIUM, IF ANY, OR INTEREST ON THE SERIES 2022A BONDS. THE ISSUANCE OF THE SERIES 2022A BONDS DOES NOT DIRECTLY, INDIRECTLY, OR CONTINGENTLY OBLIGATE THE COMMONWEALTH OR ANY POLITICAL SUBDIVISION OF THE COMMONWEALTH, INCLUDING THE CITY, TO LEVY ANY TAXES OR MAKE ANY APPROPRIATION FOR THE PAYMENT OF THE SERIES 2022A BONDS EXCEPT FROM PLEDGED REVENUES.

The Series 2022A Bonds are offered for delivery when, as and if issued, subject to the opinion of Norton Rose Fulbright US LLP, Washington, D.C., Bond Counsel. Certain legal matters will be passed upon for the Authority by the City Attorney of the City of Falls Church, for the Underwriter by McGuireWoods LLP, Tysons, Virginia, for the Developer (as defined herein) by Pillsbury Winthrop Shaw Pittman LLP, McLean, Virginia, and for DRI/TCC (as defined herein) by Tenenbaum & Saas, PC, Reston, Virginia. It is expected that the Series 2022A Bonds will be available for delivery to DTC in New York, New York, on or about _____, 2022.

[PIPER LOGO]

Dated: _____, 2022

* Preliminary, subject to change.

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WEST FALLS COMMUNITY DEVELOPMENT AUTHORITY

BOARD OF DIRECTORS

The Honorable Debora Shantz-Hiscott
The Honorable David Snyder
Robert Young
Wyatt Shields
Michael Trauberman

MuniCap, Inc., Columbia, Maryland, *Administrator*

Davenport & Company LLC, Towson, Maryland, *Financial Advisor*

City Attorney, Falls Church, Virginia, *Authority Counsel*

Norton Rose Fulbright US LLP, Washington, D.C., *Bond Counsel*

Joseph J. Blake & Associates, Inc., Washington, D.C., *Appraiser*

U.S. Bank Trust Company, National Association, Richmond, Virginia, *Trustee*

EACH PROSPECTIVE PURCHASER IS ADVISED THAT THE SERIES 2022A BONDS BEING OFFERED PURSUANT TO THIS LIMITED OFFERING MEMORANDUM ARE BEING OFFERED AND SOLD INITIALLY ONLY TO “QUALIFIED INSTITUTIONAL BUYERS” AS DEFINED IN RULE 144A PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”). SEE “LIMITED OFFERING” HEREIN. EACH PROSPECTIVE PURCHASER IS RESPONSIBLE FOR ASSESSING THE MERITS AND RISKS OF AN INVESTMENT IN THE SERIES 2022A BONDS, MUST BE ABLE TO BEAR THE ECONOMIC AND FINANCIAL RISKS OF SUCH INVESTMENT IN THE SERIES 2022A BONDS, AND MUST BE ABLE TO AFFORD A COMPLETE LOSS OF SUCH INVESTMENT. CERTAIN RISKS ASSOCIATED WITH A PURCHASE OF THE SERIES 2022A BONDS ARE SET FORTH UNDER “CERTAIN BONDHOLDERS’ RISKS” HEREIN.

No dealer, broker, salesman, or other person has been authorized by the Authority or by the Underwriter to give any information or to make any representations, other than those contained in this Limited Offering Memorandum, and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Limited Offering Memorandum does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2022A Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been furnished by sources that are believed to be reliable but is not guaranteed as to accuracy or completeness by and is not to be construed as a representation by the Underwriter. The information and expressions of opinion herein speak only as of the date hereof and are subject to change without notice, and neither the delivery of this Limited Offering Memorandum nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the information contained herein since the date hereof. The Underwriter has provided the following sentence for inclusion in this Limited Offering Memorandum: The Underwriter has reviewed the information in this Limited Offering Memorandum in accordance with, and as part of its responsibilities to investors under, the United States federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information. The information and expressions of opinion herein contained are subject to change without notice, and neither the delivery of this Limited Offering Memorandum, nor any sale made hereunder, shall, under any circumstances, create any implication that there has been no change in the affairs of the Authority, the Developer or the District since the date hereof.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2022A BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

The Series 2022A Bonds have not been registered under the Securities Act, nor has the Indenture been qualified under the Trust Indenture Act of 1939, as amended, in reliance upon exemptions contained in such acts. The registration or qualification of the Series 2022A Bonds under the securities laws of any jurisdictions in which they may have been registered or qualified, if any, shall not be regarded as a recommendation thereof.

This Limited Offering Memorandum does not contain any investment advice for purchasers or Holders of any of the Series 2022A Bonds. In making an investment decision, investors must rely on their own examination of the Authority, the Developer and the District and the terms of the offering, including the merits and the risks involved. Such persons should also consult their own financial advisors regarding possible financial consequences of ownership of the Series 2022A Bonds. The Trustee has neither participated in the preparation of, nor reviewed, this Limited Offering Memorandum.

CERTAIN STATEMENTS INCLUDED OR INCORPORATED BY REFERENCE IN THIS LIMITED OFFERING MEMORANDUM CONSTITUTE “FORWARD-LOOKING STATEMENTS” WITHIN THE MEANING OF THE UNITED STATES PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995, SECTION 21E OF THE UNITED STATES SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, AND SECTION 27A OF THE SECURITIES ACT. SUCH STATEMENTS ARE GENERALLY IDENTIFIABLE BY THE TERMINOLOGY USED SUCH AS “PLAN,” “EXPECT,” “ESTIMATE,” “PROJECT,” “ANTICIPATE,” “BUDGET” OR OTHER SIMILAR WORDS.

This Limited Offering Memorandum is the only version of the Limited Offering Memorandum that has been authorized by the Authority to be distributed by the Underwriter. Any other documents purporting to be drafts or copies of this Limited Offering Memorandum that are not identical to this Limited Offering Memorandum have not been deemed final, were not authorized to be distributed on behalf of the Authority and were not issued by the Authority.

LOCATION MAP OF THE DEVELOPMENT

[TO BE PROVIDED]

MAP OF THE WEST FALLS COMMUNITY DEVELOPMENT AUTHORITY

[TO BE PROVIDED]

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LIMITED OFFERING MEMORANDUM

\$13,000,000*
WEST FALLS COMMUNITY DEVELOPMENT AUTHORITY
REVENUE BONDS
SERIES 2022A

INTRODUCTION

This Limited Offering Memorandum, which includes the cover page and Appendices hereto, sets forth certain information in connection with the issuance by the West Falls Community Development Authority (the “Authority”) of its \$13,000,000* Revenue Bonds, Series 2022A (the “Series 2022A Bonds”). As described in more detail on the inside cover, a “qualified institutional buyer” has the meaning given such term in Rule 144A of the Securities Act of 1933, as amended (the “Securities Act”).

Capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Indenture (as hereinafter defined).

The Series 2022A Bonds are limited obligations payable primarily from certain special assessments (the “Special Assessments”) imposed and collected, at the request of the Authority, by the City of Falls Church, Virginia (the “City”), against the taxable real property in the West Falls District (the “District”), pursuant to the terms of a Rate and Method of Apportionment of Special Assessments (the “Rate and Method”) and Special Taxes (as hereinafter defined) on taxable real property in the District, if levied, all as described in the Memorandum of Understanding, dated [_____] 1, 2022 (the “Memorandum of Understanding”), among the Authority, the City, FCGP Development LLC (the “Developer”), DRI/TCC West Falls, LLC, a Delaware limited liability company (“DRI/TCC” and, together with the Developer, the “Property Owners”) and all other persons who own land within the District.

Special Assessments will be levied on taxable property within the District in each tax year in an amount equal to the principal and interest due on the Series 2022A Bonds and administrative expenses of the Authority related to the Series 2022 Bonds in each such year until the Series 2022A Bonds are repaid. Special Assessments will be a lien on parcels subject to taxation in the District, and the City has agreed to apply its customary tax payment enforcement procedures to the collection of any delinquent payments of the Special Assessment annual installment. Such collection procedures may include judicial foreclosure proceedings. A delinquency in the payment of Special Assessments may result in a default or delay in the payment of debt service on the Series 2022A Bonds, and no other party, including the City, the Administrator (as hereinafter defined) and any District landowner, is obligated to remedy such delinquency. The Memorandum of Understanding provides for the levy of a special ad valorem tax in the District (the “Special Tax”) in any year in the event that the permitted amount of the levy of the Special Assessments is not sufficient to pay debt service on the Series 2022A Bonds and the Administrative Expenses or all or a portion of the Special Assessments are determined to be legally unenforceable in a final decree by a court of competent jurisdiction.

The City’s undertaking to make payments to the Authority of Annual Installments (as defined in the Rate and Method) of the amounts collected pursuant to the Special Assessments and appropriated for payment of debt service on the Series 2022A Bonds (the “Special Assessment Revenues”) and the amounts collected pursuant to the Special Taxes, if levied, and appropriated for the payment of debt service of the Series 2022A Bonds (the “Special Tax Revenues”) will not be a general obligation of the City. Each of the Special Assessment Revenues and the Special Tax Revenues will be subject to and dependent on appropriations, if any, being made from time to time by the City Council of the City of Falls Church (the “City Council”) for such purposes. In addition, payment of Special Assessments or the Special Taxes, if levied, to the Authority will be made by the

* Preliminary, subject to change.

City only to the extent of Special Assessment Revenues or Special Tax Revenues, as appropriate, actually collected by the City.

Because the Authority's receipt of Special Assessments and the Special Taxes, if levied, cannot be guaranteed, investment in the Series 2022A Bonds involves a high degree of risk, and a prospective purchaser is advised to read this entire Limited Offering Memorandum, including the appendices hereto.

THIS LIMITED OFFERING MEMORANDUM INCLUDES FORWARD-LOOKING ESTIMATES AND ASSUMPTIONS DERIVED FROM THE APPRAISAL AND MARKET STUDY, AND THE SPECIAL ASSESSMENT PROJECTION REPORT (AS EACH IS HEREINAFTER DESCRIBED), AS WELL AS FROM OTHER INFORMATION CURRENTLY AVAILABLE TO THE DEVELOPER. THERE ARE A NUMBER OF FACTORS AFFECTING THE CONSTRUCTION OF THE CDA FACILITIES AND THE DEVELOPMENT GENERALLY (BOTH AS HEREINAFTER DESCRIBED) THAT COULD CAUSE THE ACTUAL PAYMENT OR PREPAYMENT OF SPECIAL ASSESSMENTS AND THE SPECIAL TAXES, IF LEVIED, TO BE MATERIALLY DIFFERENT FROM SUCH ESTIMATES AND ASSUMPTIONS AND COULD CAUSE THE VALUE OF REAL PROPERTY WITHIN THE DISTRICT TO DECREASE AND ADVERSELY AFFECT THE VALUE-TO-BONDS RATIOS INCLUDED IN THIS LIMITED OFFERING MEMORANDUM.

THIS INTRODUCTION IS QUALIFIED IN ITS ENTIRETY BY INFORMATION FOUND ELSEWHERE IN THIS LIMITED OFFERING MEMORANDUM. THIS LIMITED OFFERING MEMORANDUM SPEAKS ONLY AS OF ITS DATE, AND THE INFORMATION HEREIN IS SUBJECT TO CHANGE.

The District

The District consists of approximately 9.78 acres within the City. The District bordered by Falls Church Drive to the northwest, Haycock Road to the southeast and Leesburg Pike to the southwest. The property within the District is owned by the City and a portion thereof is subject to one or more Ground Leases by the Economic Development Authority of Falls Church to the Developer. Pursuant to a Comprehensive Agreement between the City and the Developer, the Developer and DRI/TCC (with respect to Parcels B-1 and D-1) will redevelop the land within the District as a mixed-use, transit-oriented development with residential condominiums, multifamily residential, senior housing, office, retail, hotel, civic and open space for public use (the "Development").

See the section **"THE DEVELOPMENT"** for a more detailed description of the Development and the infrastructure to be financed by the Authority.

Application of Proceeds

The Series 2022A Bonds will be issued pursuant to Article 6 of Chapter 51 of Title 15.2 of the Code of Virginia of 1950, as amended (the "Act"), to undertake a project consisting of financing: (a) certain public infrastructure improvements within or serving the District (the "CDA Facilities"); (b) the payment of certain construction period interest on the Series 2022A Bonds estimated through [_____] 1, 2025; (c) the payment of Administrative Expenses with respect to the Series 2022A Bonds estimated through [_____] 1, 20__]; (d) the funding of the Debt Service Reserve Fund for the Series 2022A Bonds; and (e) the payment of certain costs of issuing the Series 2022A Bonds. See the section **"ESTIMATED SOURCES AND USES OF FUNDS."**

Authorization of the Series 2022A Bonds; Limited Obligations

The Series 2022A Bonds will be issued pursuant to a Trust Indenture, dated as of [_____] 1, 2022 (the "Indenture"), between the Authority and U.S. Bank Trust Company, National Association, as trustee (the "Trustee"). The Series 2022A Bonds will be limited obligations of the Authority payable solely from certain Special Assessment Revenues and certain Special Taxes, if levied, after payment of Administrative Expenses and subject to appropriation by the City Council, and certain cash and investments from time to time held in certain funds under the Indenture, including the Debt Service Reserve Fund.

Special Assessments; Rate and Method

At the request of the Authority, the City Council has adopted the Rate and Method imposing special assessments on certain real property in the District in the aggregate amount of \$[_____] (the “Special Assessments”) and providing for their collection by the City. The Rate and Method is included as Appendix A hereto and should be read in its entirety for an understanding of the methodology of apportionment and the imposition of the Maximum Assessment. See the section **“SPECIAL ASSESSMENT REVENUES; DETERMINATION OF RATE AND METHODOLOGY; COLLECTION PROCEDURES – Rate and Method.”** The Rate and Method provides for the levy of the Special Assessments based on the estimated aggregate amount of principal of and interest on the Series 2022A Bonds and Administrative Expenses. The Special Assessments will be reduced to the extent actual principal of and interest on the Series 2022A Bonds and Administrative Expenses are less than the estimated amount of the Special Assessments.

The Authority, the City, the Trustee and each owner of taxable property within the District will enter into a separate Special Assessment Agreement and Declaration of Notice of Special Assessment, dated as of [_____] 1, 2022 (each, a “Special Assessment Agreement”) providing for the recordation of an assessment lien with respect to the Special Assessments on certain taxable property within the District (excluding any property as to which the Special Assessment has been prepaid (see the section below, “– **Prepayments**”)). As required by the Act, Special Assessments collected by the City are subject to appropriation for the benefit of the Authority by the City Council.

Prepayments

The taxable properties in the District as described herein under the section **“SPECIAL ASSESSMENT REVENUES; DETERMINATION OF RATE AND METHODOLOGY; COLLECTION PROCEDURES”** will be subject to assessment by the City Council at the request of the Authority. Owners of the real estate in the District will have the option to prepay the applicable Special Assessments at any time. Following the issuance of the Series 2022A Bonds neither the Developer nor the Authority expect, however, that a substantial amount of Special Assessments will be prepaid as parcels or portions thereof are sold or leased. If a Special Assessment is prepaid in full with respect to any parcel, such parcel will no longer be subject to Special Assessment. Any such prepayment will be used to redeem Series 2022A Bonds pursuant to special mandatory redemption provisions. See the section **“THE SERIES 2022A BONDS – Special Mandatory Redemption.”**

Appraisal and Market Study

Joseph J. Blake & Associates, Inc. (the “Appraiser”), has prepared a financial appraisal and market study of the properties within the District to be assessed and has issued a report thereon, dated [_____] 2022 (the “Appraisal and Market Study”). The Appraisal and Market Study is included in Appendix B attached hereto. The Appraisal and Market Study should be read in its entirety for an understanding of the assumptions and rationale underlying the forecast contained therein. The Appraisal and Market Study estimates the market value of the property in the District “as is” as of [_____] , as set forth therein. There can be no assurance, however, that the CDA Facilities will be completed by the Developer in the same manner or on the same schedule as assumed by the Appraiser, which difference could be material to the market value of the properties within the District and could affect the collection of any Special Assessments and any Special Taxes, if levied, and the payment of the Series 2022A Bonds. See the section **“APPRAISAL AND MARKET STUDY.”**

Value-to-Bonds Ratios

Utilizing information from the Appraisal and Market Study included as Appendix B and information provided by the Developer, set forth below are the projected market values of the taxable real property in the District and the ratio of such estimated values to the Series 2022A Bonds:

| | Estimated <u>Market Value</u> | Value to <u>Series 2022A Bonds*</u> |
|---|----------------------------------|--|
| “As Is” (as of [_____]) market value | | |
| Combination of “Estimated Stabilized Valuation” | | |
| “Stabilized Valuation” of real property in the District | | |

The value-to-bonds ratios are based on information derived from the Appraisal and Market Study and information provided by the Developer. The “Estimated Stabilized Valuation” is based on information provided by the Developer in the section “THE DEVELOPMENT – Development Status” regarding property in the District that is subject to agreements obligating the Developer. No assurance can be given that the foregoing ratios can or will be achieved or maintained during the period of time that the Series 2022A Bonds are Outstanding because, in addition to factors that could cause the value of the property to decrease, the ratio of the Series 2022A Bonds to the value of the property could increase correspondingly. See the sections “APPRAISAL AND MARKET STUDY” and “CERTAIN BONDHOLDERS’ RISKS.”

Special Assessment Projection Report

A projection of the Special Assessments that might be collected in the District was prepared by MuniCap and is provided in “APPENDIX F – SPECIAL ASSESSEMENT PROJECTION REPORT AND SPECIAL ASSESSMENT COLLECTION PROCEDURES.” The projections are based upon the assumptions set forth in Appendix F with respect to the completion of the Development over time. There can be no assurance that any of such assumptions will be realized, and the Authority, the City and the Underwriter make no representations as to the reasonableness of the assumptions or the likelihood that such projections will be realized.

Continuing Disclosure

The Authority, the Administrator (as defined herein), the Developer and DRI/TCC have agreed to provide for the benefit of the Series 2022A Bondholders certain ongoing information. The proposed forms of the Continuing Disclosure Agreements are included as Appendix E-1 and Appendix E-2 attached hereto. See the section “CONTINUING DISCLOSURE.”

No Rating

The Authority has not requested, and the Series 2022A Bonds have not received, any credit rating by any recognized rating agency. See the section “CERTAIN BONDHOLDERS’ RISKS – Lack of Rating; Lack of Marketability of the Series 2022A Bonds.”

Miscellaneous

Descriptions of the Authority, the Series 2022A Bonds, the Development, the Developer, DRI/TCC and the CDA Facilities follow in this Limited Offering Memorandum. Proposed forms of the basic financing documents (including the Indenture, the Development Agreement, dated as of [_____] 1, 2022 (the “CDA Development Agreement”), between the Authority and the Developer, and the Memorandum of Understanding) are attached as Appendix C-1, Appendix C-2 and Appendix C-3, respectively, to this Limited Offering Memorandum. All descriptions of instruments or documents contained herein are only summaries and are qualified in their entirety by reference to each such instrument or document. Subsequent to the delivery of the Series 2022A Bonds, executed copies of the Indenture and CDA Development Agreement may be examined at the corporate trust office of the Trustee in Richmond, Virginia.

* Preliminary, subject to change.

THE SERIES 2022A BONDS

Description

The Series 2022A Bonds will be dated the date of their initial delivery, will mature on September 1 in the years and will bear interest at the rates, as set forth on the cover of this Limited Offering Memorandum. Interest will be computed from the date of initial delivery and be payable on September 1, 2022, and on each March 1 and September 1 thereafter (the “Interest Payment Dates”).

The Series 2022A Bonds will be issued in denominations of \$100,000 and integral multiples of \$5,000 in excess thereof; provided that, if the Series 2022A Bonds have at any time been rated at least “Baa3” by Moody’s Investor Service, Inc., “BBB-” by S&P Global Ratings or “BBB-” by Fitch, Inc., the Series 2022A Bonds will thereafter be issuable in denominations of \$5,000 or any integral multiple of \$5,000, notwithstanding any subsequent downgrade, suspension or withdrawal of any such rating. If necessary to effect a partial redemption of any Series 2022A Bond pursuant to the Indenture, Series 2022A Bonds, a Series 2022A Bond or Bonds in the principal amount equal to the unredeemed portion, but not less than \$5,000, may be issued. The Series 2022A Bonds will be registered as to principal and interest in the name of The Depository Trust Company, New York, New York (“DTC”), or otherwise as hereinafter described. Purchases of beneficial ownership interests in the Series 2022A Bonds will be made only in book-entry form, and purchasers will not receive certificates representing their interests in the Series 2022A Bonds so purchased. If the book-entry system is discontinued, Series 2022A Bond certificates will be delivered as described in the Indenture, and Beneficial Owners (as defined below) will become registered owners. As long as the Series 2022A Bonds are held by DTC or its nominee, Cede & Co., interest will be paid to Cede & Co. in same day funds on each Interest Payment Date. If the date of maturity of principal of any Series 2022A Bonds or the date fixed for the payment of interest on or the redemption of any Series 2022A Bonds is not a Business Day (as hereinafter defined), then payment of the principal and premium, if any, and interest need not be made on such date, but may be made on the next succeeding date which is a Business Day, and, if made on such next succeeding Business Day, no additional interest will accrue for the period after such date of maturity or date fixed for redemption.

If the book-entry system is discontinued, interest on the Series 2022A Bonds will be payable by check or draft mailed to the registered owners as they appear on the registration books kept by the Trustee on the fifteenth day of the month prior to each Interest Payment Date. Principal will be payable at the designated corporate trust office of the Trustee.

Business Day shall mean any day other than (i) a Saturday or Sunday, (ii) a day on which commercial banks in the Commonwealth of Virginia (the “Commonwealth”), or the jurisdiction in which the designated corporate trust office of the Trustee is located, are authorized by law to close, (iii) a day on which the New York Stock Exchange is closed, or (iv) such other days as may be specified in a supplemental indenture.

As long as the Series 2022A Bonds are held by DTC or its nominee, Beneficial Owners may transfer their interest in the Series 2022A Bonds through the facilities of DTC described in the section **“THE SERIES 2022A BONDS – DTC and Book-Entry-Only System.”** If the book-entry system is discontinued, exchanges of the Series 2022A Bonds may be made at the office of the Trustee, as registrar and transfer agent, together with a written instrument or instruments of transfer or authorization for exchange, in form and substance reasonably satisfactory to the Trustee, duly executed by the registered owner of such Series 2022A Bond or by his duly authorized attorney. Upon any such transfer, the Trustee shall deliver, in exchange for that Series 2022A Bond, a new Series 2022A Bond or Series 2022A Bonds, registered in the name of the transferee or transferees, in authorized denominations. For every exchange or transfer of a Series 2022A Bond, the registered owner may be charged a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto.

If any Series 2022A Bond has been mutilated, lost, stolen or destroyed, the Authority shall execute, and, at the request of the Authority the Trustee will authenticate and deliver, a replacement Series 2022A Bond of the same principal amount and maturity and of like tenor as the mutilated, lost, stolen or destroyed Series 2022A Bond. Application for exchange and substitution of mutilated, lost, stolen or destroyed Series 2022A Bonds will be made to the Trustee at its designated corporate trust office and the applicant will furnish to the Authority and the Trustee security or indemnification to their satisfaction and, in the case of loss, theft or destruction of a Series 2022A Bond, evidence satisfactory to the Authority and the Trustee of the loss, theft or destruction and of the identity of the

applicant. In every case of mutilation of a Series 2022A Bond, the applicant will surrender the Series 2022A Bond so mutilated for cancellation. Notwithstanding the foregoing, in the event any Series 2022A Bond has matured and no default has occurred which is then continuing in the payment of principal of, premium, if any, or interest on such Series 2022A Bond, the Authority may authorize the payment of such Series 2022A Bond without surrender (except in the case of a mutilated Series 2022A Bond) instead of issuing a substitute Series 2022A Bond, provided satisfactory evidence described above and security or indemnification is furnished as described above. The Authority and the Trustee may charge the owner of any Series 2022A Bond their reasonable fees and expenses in connection with the issuance of any substitute Series 2022A Bond.

DTC and Book-Entry-Only System

The following description of the procedures and recordkeeping with respect to beneficial ownership interests in the Series 2022A Bonds, payments of principal of and interest on the Series 2022A Bonds to The Depository Trust Company, New York, New York (“DTC”), its nominee, Direct Participants (as defined below) or Beneficial Owners (as defined below), confirmation and transfer of beneficial ownership interests in the Series 2022A Bonds and other bond-related transactions by and between DTC, the Direct Participants and Beneficial Owners is based solely on information furnished by DTC.

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Series 2022A Bonds. The Series 2022A Bonds will be issued as fully registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered Series 2022A Bond certificate will be issued for each principal amount of Series 2022A Bonds of a Series and maturity bearing interest at a specified interest rate, each in the aggregate principal amount of such quantity of Series 2022A Bonds and will be deposited with DTC.

DTC, the world’s largest depository, is a limited purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of the Series 2022A Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2022A Bonds on DTC’s records. The ownership interest of each actual purchaser of the Series 2022A Bonds (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interest in the Series 2022A Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive bond certificates representing their ownership interests in the Series 2022A Bonds, except in the event that use of the book entry system for the Series 2022A Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Series 2022A Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2022A Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2022A Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2022A Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2022A Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of the Series 2022A Bonds may wish to ascertain that the nominee holding the Series 2022A Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2022A Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2022A Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, premium, if any, and interest payments on the Series 2022A Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detailed information from the City, on a payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2022A Bonds at any time by giving reasonable notice to the Authority. Under such circumstances, in the event that a successor depository is not obtained, certificates for the Series 2022A Bonds are required to be printed and delivered.

The Authority may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, certificates for the Series 2022A Bonds will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Authority believes to be reliable, but the Authority and the Underwriter take no responsibility for the accuracy thereof.

Optional Redemption

The Series 2022A Bonds maturing on or after September 1, 20__ may be redeemed before maturity at the option of the Authority at any time, or from time to time on or after September 1, 20__ from any money available for such purpose, as a whole or in part in increments of \$5,000 or any integral multiple of \$5,000 upon payment of the principal amount of the Series 2022A Bonds to be redeemed, together with accrued interest to the date fixed for redemption.

Mandatory Sinking Fund Redemption

The Series 2022A Bonds are required to be redeemed in part before maturity on September 1 in the years and amounts set forth below at a redemption price equal to the principal amount thereof plus interest accrued to the redemption date.

| <u>Due Date</u> <u>(September 1)</u> | <u>Principal</u> <u>Amount</u> | <u>Due Date</u> <u>(September 1)</u> | <u>Principal</u> <u>Amount</u> |
|---|-----------------------------------|---|-----------------------------------|
|---|-----------------------------------|---|-----------------------------------|

The Indenture provides for a credit, at the option of the Authority, against any mandatory sinking fund redemption requirement for any Series 2022A Bonds [of a series and] maturity that, prior to any such redemption date, has been previously defeased or redeemed (other than by mandatory sinking fund redemption) by the Authority (or the Trustee on behalf of the Authority) before such mandatory sinking fund redemption date or that have been purchased by the Authority or the Trustee on behalf of the Authority and delivered to the Trustee for cancellation at least 70 days before each such mandatory sinking fund redemption date and that previously has not been applied as a credit against any mandatory sinking fund redemption requirement.

Special Mandatory Redemption

The Series 2022A Bonds are subject to special mandatory redemption as a whole or in part in minimum amounts of \$5,000, at a redemption price equal to 100% of the principal amount to be redeemed, together with accrued interest thereon to the date fixed for redemption, on any March 1, June 1, September 1 or December 1, as follows:

(a) from amounts deposited into the 2022 Prepayment Subaccount of the Redemption Account as a result of Prepayments pursuant to the Indenture and transfers from the Debt Service Reserve Fund pursuant to the Indenture; and

(b) on or after the Completion Date (as defined in the Indenture), by application of money remaining in the Project Fund not reserved by the Authority for the payment of any remaining part of the Cost of the Facilities or from any amounts in the Net Proceeds Account that shall be transferred to the Redemption Account of the Bond Fund and applied to the redemption of the Series 2022A Bonds.

Selection of the Series 2022A Bonds for Redemption

If less than all of the Series 2022A Bonds are to be called for optional redemption or special mandatory redemption, the amount, if any, of each maturity of the Series 2022A Bonds to be so called for redemption shall be determined by the Authority, subject to the provisions of the Indenture and the Tax Certificate. If less than all of any maturity of [a series of] Series 2022A Bonds are to be called for optional or special mandatory redemption, the amount of Series 2022A Bonds of each maturity [of such series] to be so called for redemption shall generally be determined according to a pro-rata method across sinking fund requirements taking into account all Series 2022A Bonds of such maturity [of such series] as determined by the Administrator and accepted by the Authority. No Owner of any Series 2022A Bonds may contest the selection methodology accepted by the Authority. If less than all of the Series 2022A Bonds of a maturity of a series are to be called for optional, special mandatory or mandatory sinking fund redemption, the Series 2022A Bonds to be called will be selected by DTC or the Trustee in a manner that DTC or the Trustee determines to be appropriate and fair. In selecting Series 2022A Bonds to be called for redemption, the Trustee will count as one Series 2022A Bond each increment of \$5,000 of principal amount.

Notice of Redemption

In the case of any redemption of Series 2022A Bonds, the Trustee will give in its own name or in the name of the Authority notice, as provided for in the Indenture, that the Series 2022A Bonds (which shall be identified by series, maturity and CUSIP numbers) have been called for redemption and, in the case of Series 2022A Bonds of a

series and maturity to be redeemed in part only, the principal amount of the Series 2022A Bonds that have been called for redemption, that they will be due and payable on the date fixed for redemption (specifying the date) upon surrender of the Series 2022A Bonds at the designated corporate trust office of the Trustee, at the applicable redemption price (specifying the price) together with any accrued interest to such date, and that all interest on the Series 2022A Bonds to be redeemed will cease to accrue on and after such date.

If at the time of the mailing of the notice of optional redemption the Authority shall not have deposited with the Trustee moneys that, together with the maturing principal of and interest on any securities also deposited, shall be sufficient to redeem all the Series 2022A Bonds called for optional redemption, such notice may state that it is conditional and subject to the deposit or transfer of the redemption money with the Trustee not later than the opening of business on the redemption date, and that such notice shall be of no effect unless such money is so deposited.

Such notice will be sent by electronic means or mailed postage prepaid, not less than 30 nor more than 60 days before the date fixed for redemption, to the Owners of the Series 2022A Bonds called for redemption, at their respective addresses as they appear on the registration books maintained by the Paying Agent. The receipt of notice will not be a condition precedent to the redemption, and failure to mail any notice to an Owner will not affect the validity of the proceedings for the redemption of Series 2022A Bonds of any other Owner.

All Section 2022A Bonds called for redemption will cease to bear interest on the specified redemption date.

Defeasance

If the Authority provides cash, noncallable Government Obligations or Government Certificates, or any combination thereof, to the Trustee in an amount sufficient to provide for payment of the Series 2022A Bonds, in whole or in part, and meets certain other requirements, the Series 2022A Bonds so defeased will no longer be secured under the Indenture as described below and will instead be secured solely by such cash and noncallable Government Obligations or Government Certificates. See Appendix C-1 – **“PROPOSED FORM OF THE INDENTURE.”**

No Acceleration upon Default

The principal of the Series 2022A Bonds is not subject to acceleration upon the occurrence and continuation of an Event of Default under the Indenture. If Pledged Revenues, together with other moneys available under the Indenture, are insufficient to pay debt service on the Series 2022A Bonds when due and payable, Series 2022A Bondholders will not be able to require accelerated payment of Special Assessments or Special Taxes, if levied, and will not likely be able to increase the amount of the Special Assessments, Special Tax Revenues (as applicable), or other revenues in order to make up any deficiency. Further, in the event any landowner defaults in its obligation to pay Special Assessments or Special Taxes, if levied, the ultimate source of recovery of such defaulted Special Assessments or Special Taxes, if levied, is a tax sale or foreclosure upon the property subject to the lien of the defaulted Special Assessments or Special Taxes. See the sections **“CERTAIN BONDHOLDERS’ RISKS – Special Assessment Delinquencies”** and **“CERTAIN BONDHOLDERS’ RISKS – Potential Delay and Limitations in Foreclosure Proceedings.”**

See Appendix C-1 – **“PROPOSED FORM OF THE INDENTURE”** for the Indenture provisions relating to Events of Default and the remedies available to the Series 2022A Bondholders upon the occurrence of an Event of Default.

Additional Bonds

Subject to the limitations set forth in the Indenture, the Authority may issue one or more series of Additional Bonds under the Indenture (i) to finance additional public improvements related to the CDA Facilities and (ii) to refund, defease or purchase Series 2022A Bonds. Such Additional Bonds shall be equally and ratably secured with the unrefunded portion, if any, of the Series 2022A Bonds from the revenues and property pledged under the Indenture. See Appendix C-1 – **“PROPOSED FORM OF THE INDENTURE.”**

Amendments

The Indenture permits the Authority and the Trustee to make certain changes to the Indenture, including changes that in the Trustee's judgment do not materially adversely affect the rights of any Series 2022A Bondholders or the rights and immunities of or increase the duties of the Trustee. See Appendix C-1 – **"PROPOSED FORM OF THE INDENTURE."** The Authority agrees in the Indenture that it will not agree to any amendments to the Memorandum of Understanding without the consent of the Owners of the Series 2022A Bonds that materially adversely affect the amount of Pledged Revenues received or the timing of such receipt.

ESTIMATED SOURCES AND USES OF SERIES 2022A BOND PROCEEDS

The proceeds derived from the sale of the Series 2022A Bonds will be used, together with other available funds, to finance the CDA Facilities. Based on estimated costs of the CDA Facilities, the Authority expects to use the proceeds derived from the sale of the Series 2022A Bonds substantially as follows:

Sources of Series 2022A Bond Proceeds

Principal Amount of Series 2022A Bonds
Net Original Issue Premium/Discount
Total Sources of Series 2022A Bond Proceeds

Uses of Series 2022A Bond Proceeds

Construction of CDA Facilities
Initial Administrative Expenses for Series 2022A Bonds¹
Construction Period Interest¹
Debt Service Reserve Fund deposit
Issuance Expenses of Series 2022A Bonds (including Underwriter's Discount)
Total Uses of Series 2022A Bond Proceeds

¹ Through [] 1, 2025.

ANNUAL DEBT SERVICE REQUIREMENTS

The following table sets forth, for each bond year ending September 1, the amounts payable for principal of and interest on the Series 2022A Bonds.

Series 2022A Bonds

| <u>Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|-------------|------------------|-----------------|--------------|
| \$ | \$ | \$ | |

SPECIAL ASSESSMENT PROJECTION REPORT

Appendix F contains several scenarios that project the annual amounts payable for debt service on the Series 2022A Bonds and the estimated amounts of Administrative Expenses, Debt Service Reserve Fund earnings, Annual Installments of the Special Assessment and debt service coverage ratios.

Appendix F presents forward looking estimates based on the best information currently available to the Authority, the Administrator and the Developer. A number of factors, however, including those discussed in the Rate and Method (Appendix A) and in the Special Assessment Projection Report and Special Assessment Collection Procedures (Appendix F), could cause the actual figures to be materially different from the projected figures. Annual Installments of Special Assessments will be billed in the amount of debt service and estimated Administrative Expenses for the calendar year in which such bills are rendered and other available funds, including Debt Service Reserve Fund earnings. Excess Special Assessments are not expected to be collected. Prepayment of Special Assessments (and the corresponding special mandatory redemption of Series 2022A Bonds) would affect the projections contained in Appendix F. See the section “INTRODUCTION – Prepayments.” Additional factors that may affect such performance are discussed in the section “CERTAIN BONDHOLDERS’ RISKS.”

The following table excerpted from MuniCap’s report in Appendix F sets forth projected Special Assessment Revenues and debt service coverage as projected in Appendix F and assumes [TO BE INSERTED]. Appendix F includes alternate scenarios, including [TO BE INSERTED]. See the section [“THE DEVELOPMENT – Zoning/Entitlement Status”] for a description of the approved and proposed development plans.

PROSPECTIVE INVESTORS SHOULD READ THE SPECIAL ASSESSMENT PROJECTION REPORT INCLUDED AS APPENDIX F IN ITS ENTIRETY. THE SPECIAL ASSESSMENT PROJECTION REPORT IS AN INTEGRAL PART OF THIS LIMITED OFFERING MEMORANDUM.

SECURITY FOR THE SERIES 2022A BONDS

Limited Obligations

The Series 2022A Bonds are limited obligations of the Authority secured as provided below.

NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE COMMONWEALTH OR ANY POLITICAL SUBDIVISION OF THE COMMONWEALTH, INCLUDING THE CITY, IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR REDEMPTION PREMIUM, IF ANY, OR INTEREST ON THE SERIES 2022A BONDS. THE ISSUANCE OF THE SERIES 2022A BONDS DOES NOT DIRECTLY, INDIRECTLY, OR CONTINGENTLY OBLIGATE THE COMMONWEALTH OR ANY POLITICAL SUBDIVISION OF THE COMMONWEALTH, INCLUDING THE CITY, TO LEVY ANY TAXES OR MAKE ANY APPROPRIATION FOR THE PAYMENT OF THE SERIES 2022A BONDS EXCEPT FROM PLEDGED REVENUES.

Pledge and Assignment

The Series 2022A Bonds are secured by and payable from all of the Authority’s right, title and interest in and to: (a) the Special Assessment Revenues and the Special Tax Revenues (as applicable), after payment of the Administrative Expenses and subject to appropriation by the City Council, and (b) certain cash and investments from time to time held in any Fund (except the Net Proceeds Account, the Administrative Expense Fund and the Rebate Fund) under the Indenture, including the Debt Service Reserve Fund (collectively, the “Trust Estate”).

Flow of Funds

The Authority will cause the Special Assessment Revenues and the Special Tax Revenues, if applicable, to be collected and deposited in the Revenue Fund in accordance with the Indenture (subject to appropriation by the City Council) and will collect and immediately deposit in the Revenue Fund, as received, all Pledged Revenues and such

other money as the Authority may determine. Such deposits to the Revenue Fund will not include investment income on certain funds and accounts created by the Indenture and will not include Prepayments of Special Assessment Revenues, which will be deposited in the Series 2022A Prepayment Subaccount in the Redemption Account of the Bond Fund. Except as set forth below, on the Business Day preceding each Interest Payment Date, the Trustee will make transfers from the Revenue Fund in the following order of priority:

(a) To the Administrative Expense Fund (held by the Trustee) the amount of any Special Assessments and Special Tax Revenues collected to pay Administrative Expenses and not retained by the City pursuant to the Memorandum of Understanding;

(b) To the appropriate accounts in the Bond Fund (held by the Trustee) the amount necessary to make the following deposits:

(i) first, in the Interest Account an amount that, together with other amounts, if any, on deposit therein will equal the amount of interest due on the Series 2022A Bonds on such Interest Payment Date; and

(ii) then, in the Principal Account an amount that, together with other amounts, if any, on deposit therein, will equal the principal amount, if any, due with respect to the Series 2022A Bonds on such Interest Payment Date;

(c) To the Debt Service Reserve Fund (held by the Trustee), if the amount in the Debt Service Reserve Fund is less than the Debt Service Reserve Requirement, the amount of money necessary, in addition to amounts on deposit therein, to equal the Debt Service Reserve Requirement; provided, that such payments shall be made only from money in the Delinquent Payments Account of the Revenue Fund;

(d) To the Rebate Fund (held by the Trustee) the amount, if any, equal to any Rebate Amount accrued (based on the most recent report of the Administrator), but not previously paid or provided for in the Rebate Fund; and

(e) To the Administrative Expense Fund, any remaining amounts.

Notwithstanding the foregoing, so long as there is money on deposit in the Capitalized Interest Account on the date required for any transfer into the Interest Account as set forth above, the Trustee will, prior to making any transfer into the Interest Account from the Revenue Fund, transfer to the Interest Account from the Capitalized Interest Account, the lesser of (1) the interest on such Series 2022A Bonds coming due on the next succeeding Interest Payment Date (net of amounts then on deposit in the Interest Account) and (2) the amount remaining on deposit in the Capitalized Interest Account. In making the foregoing transfers from the Revenue Fund, the Trustee will conclusively rely on a report furnished by the Administrator setting forth the amount of Special Assessment Revenues and Special Tax Revenue, if applicable, to be applied as set forth above.

Administrative Expense Fund

Money deposited in the Administrative Expense Fund will be held in trust by the Trustee and applied by the Trustee to pay Administrative Expenses upon receipt by the Trustee of a written request signed by an Authorized Authority Representative specifying (i) the amount to be withdrawn, (ii) the Person to whom such amount is to be paid and payment instructions, (iii) the nature of such Administrative Expense and (iv) that such amount is a proper charge against the Administrative Expense Fund. Interest received on and any profit realized from the investment of money in the Administrative Expense Fund will become a part of such Fund. Amounts on deposit in the Administrative Expense Fund are not pledged to the payment of principal of, premium if any, or interest on the Series 2022A Bonds.

Bond Fund

The Trustee will pay from the Principal Account the principal (including sinking fund installments) of the Series 2022A Bonds when due. The Trustee will pay from the Interest Account the interest on the Series 2022A Bonds when due. The Trustee will use money in the Redemption Account to redeem Series 2022A Bonds pursuant to any optional redemption provision exercised by the Authority or special mandatory redemption provisions or, if directed

by an Authorized Authority Representative, to purchase Series 2022A Bonds on the open market; provided, however, (i) no money will be used to purchase Series 2022A Bonds to the extent it is required to pay the redemption price of any Series 2022A Bonds for which notice of redemption has been given, and (ii) Series 2022A Bonds will not be purchased at a price in excess of the applicable optional redemption price plus accrued interest.

On the Business Day immediately preceding a Principal or Interest Payment Date, the Trustee will determine if the balance on deposit in the Principal Account and the Interest Account will be sufficient (after taking into consideration any amount to be transferred from the Capitalized Interest Account) to pay the principal and interest due and payable on the Principal or Interest Payment Date, and if a deficiency exists, will promptly notify the Authority of such fact. If on any Principal or Interest Payment Date, the balance on deposit in the Principal Account or the Interest Account is insufficient to pay the principal and interest due and payable on Outstanding Series 2022A Bonds, the Trustee will transfer the amount of the deficiency from the Debt Service Reserve Fund to the appropriate account in the Bond Fund.

All Prepayments will be deposited into the Prepayment Subaccount and will be applied to the special mandatory redemption of the Series 2022A Bonds.

Debt Service Reserve Fund

The Indenture provides that the Debt Service Reserve Fund must be maintained in an amount equal to the Debt Service Reserve Requirement for the Series 2022A Bonds and any Additional Bonds (together, the “Bonds”). The Indenture defines the Debt Service Reserve Requirement as an amount equal to the least of (i) the maximum amount of principal and interest due on the Bonds in the current or any future fiscal year, (ii) 10 percent of the original stated principal amount of the Bonds (or 10 percent of the issue price of such Bonds if required by the Code), and (iii) 125 percent of the average annual amount of principal and interest due on the Bonds in the current or any future fiscal year. Upon the issuance date of the Series 2022A Bonds, the Debt Service Reserve Requirement is \$_____, which is an amount equal to _____ and will be funded by proceeds of the Series 2022A Bonds.

If the amount on deposit in the Bond Fund is insufficient to make payments of principal (including sinking fund installments) of or interest on the Series 2022A Bonds when due, the Trustee will transfer money from the Debt Service Reserve Fund to the Bond Fund to the extent necessary to pay principal of and interest on the Series 2022A Bonds when due. If the amount on deposit in the Debt Service Reserve Fund is less than the Debt Service Reserve Requirement, the Authority will transfer funds from the Revenue Fund (but only from amounts in the Delinquent Payments Account) to the Debt Service Reserve Fund to restore the Debt Service Reserve Requirement, to the extent and in the manner provided in the Indenture.

Within ten days after each Principal Payment Date and Interest Payment Date and at such other times as the Authority may request, the Trustee will determine if the balance on deposit in the Debt Service Reserve Fund is at least equal to the Debt Service Reserve Requirement. In making such determination, (i) the Trustee may take into account any reduction in the Debt Service Reserve Requirement that will result from any principal payment to be made on such Principal Payment Date or Interest Payment Date and (ii) securities in which money in the Debt Service Reserve Fund is invested will be valued in the manner set forth in the Indenture. If a deficit exists in the Debt Service Reserve Fund, the Trustee will promptly notify the Authority of the deficit. If the amount on deposit in the Debt Service Reserve Fund exceeds the Debt Service Reserve Requirement, the Trustee will transfer the excess to the Interest Account of the Bond Fund or, upon the written request of an Authorized Authority Representative, to the Administrative Expense Fund within five Business Days after such determination; provided that before the end of the Capitalized Interest Period the Trustee will transfer the excess to the Capitalized Interest Account.

Whenever a Prepayment is made and the Series 2022A Bonds are redeemed with the proceeds of such Prepayment, a proportionate amount in the Debt Service Reserve Fund (determined by the Administrator and accepted by the Trustee on the basis of the principal of the Series 2022A Bonds to be redeemed and the original principal of the Series 2022A Bonds) is to be transferred to the 2022 Prepayment Subaccount of the Redemption Account to be applied to the Special Mandatory Redemption of Series 2022A Bonds, provided, however, that such transfer will be made only to the extent that the amount on deposit in the Debt Service Reserve Fund after such reduction will be at least equal to the Debt Service Reserve Requirement.

Rebate Fund

The Trustee will hold money in the Rebate Fund in trust to be applied to pay any Rebate Amount. The Trustee will pay to the Authority or to such place as the Authority may direct, upon written request of an Authorized Authority Representative, the Rebate Amount required to be paid to the United States at the times, in the manner and as calculated in accordance with Section 148(f) of the Code. The Trustee shall have no responsibility for computation of the Rebate Amount, and the Authority shall cause the Rebate Amount to be calculated in accordance with the requirements of Section 148(f) of the Code.

The Authority may direct the Trustee to use money in the Administrative Expense Fund in such amounts as the Authority may specify, in order to deposit the Rebate Amount in the Rebate Fund. The Administrator is to compute any Rebate Amount annually and, if necessary to provide sufficient money to pay the Rebate Amount, is to increase the portion of the Administrative Expense Requirement as appropriate to have funds available in the Administrative Expense Fund to pay the Rebate Amount. Amounts in the Rebate Fund are not pledged to the payment of principal of, redemption premium, if any, and interest on the Series 2022A Bonds.

THE DEVELOPMENT

General

West Falls is a mixed-use redevelopment (“West Falls” or the “Development”) in the City of Falls Church, Virginia (the “City”), to be constructed pursuant to an agreement between the City and FCGP Development LLC (“FGCP”). West Falls is a significant element of the greater 40-acre transit-oriented development (“TOD”) surrounding the West Falls Church Metrorail station and is situated on the corner of Haycock Road and Leesburg Pike (Route 7) in Northern Virginia. West Falls will have a WMATA Metrorail connection, and West Falls will offer direct access to and from Route 66, one of the primary vehicular corridors in the region offering access to the Capital Beltway, Tysons, Arlington, and the Washington D.C. Central Business District. In addition to providing service to the Orange Metrorail line, which connects through Arlington directly to Metro Center and several other key stations in Downtown D.C., the Project Site offers Metrobus service connecting to Tysons, Alexandria, McLean and Wolf Trap National Park. Dedicated bike facilities and new Capital Bikeshare stations throughout the 40-acre TOD redevelopment area will further enhance the options and connectivity of the site which is near the Washington and Old Dominion Trail, a 45-mile paved trail connecting Shirlington, Virginia to Purcellville, Virginia.

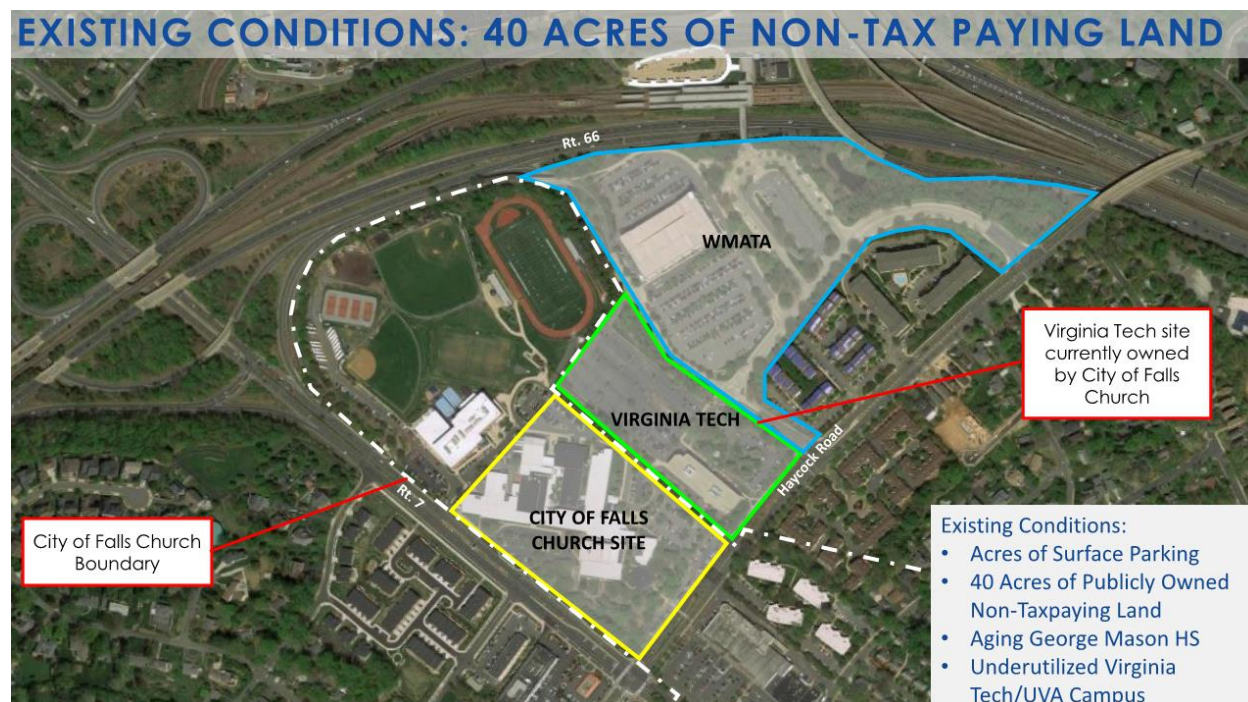
The three components of the redevelopment of the 40-acre TOD are West Falls, the Virginia Polytechnic Institute and State University (“Virginia Tech”) Northern Virginia Center and the WMATA redevelopment. Collectively, these represent approximately 3.2 million square feet of expected new multifamily rental, condominium, senior housing, townhouse, hotel, office, retail and academic development. The WMATA redevelopment is being completed by a joint venture of Hoffman & Associates, EYA and Rushmark. Collectively, the TOD redevelopment is anticipated to generate significant new taxes and affordable housing for the City and Fairfax County, and create 24 acres of open space, including six acres of parks. A \$10 million grant has been awarded to Virginia Tech to complete the construction of the portion of West Falls Station Boulevard that will cross Virginia Tech’s property, linking the West Falls and WMATA redevelopments. The grant will bring “Smart City” technology to the Development – aspects of which will include smart and responsive lighting, Wi-Fi and connectivity enhancements, smart parking technology and the integration of technology into the traffic signals to improve safety and reduce congestion.

The three components are organized around a new main street, West Falls Station Boulevard, which will provide a direct connection from the West Falls Church Metrorail station to Leesburg Pike. This is a 0.4-mile walk or bike ride along tree lined streets with parks and open space. While the West Falls and Virginia Tech properties will have parks and open spaces organized around a central green spine on West Falls Station Boulevard, the WMATA site is anticipated to include three primary contributions to parks and open space: (1) a transit plaza immediately adjacent to the West Falls Church Metrorail station entrance and the apartment building that Hoffman & Associates is developing; (2) an urban park and green space along West Falls Station Boulevard that will direct people towards the metro entrance; and (3) a nature play area and dog park which will create a buffer to existing communities and infrastructure.

There are additional adjacent properties that are likely to be redeveloped and further enhance the walkable community being developed in West Falls Church. The three surrounding parcels at the Haycock and Leesburg Pike/Broad Street corner are primarily utilized as strip-style shopping centers, fast food restaurants and car sales/service lots. Though the owners of the large Giant-grocery anchored shopping center have recently invested in it and rebranded as “Birch & Broad,” the Developer anticipates that the TOD will spur further investment in these properties.

Depiction of Existing Conditions

The following depicts the existing conditions at West Falls:*



The City

The City, with a land area of 2.1 square miles is located in the eastern portion of the Northern Virginia Regional Commission (NVRC). NVRC includes four counties, five independent cities, and five incorporated towns. NVRC has an estimated population of approximately 2,601,829 in 2017.

The City is served by an extensive multimodal transportation network. The City is strategically situated along two interstate highways, at the intersection of two major arterial highways, and close to two Metrorail Lines. Additionally, two major airports are within 20 miles of the City. The substantial transportation network provides access to and from business, recreational, and cultural interests.

The City is part of the Washington-Arlington-Alexandria, DC-VA-MD HUD Metro FMR Area. Retail trade and restaurants are an important component to the City’s work force. According to the Virginia Employment Commission’s Community Profile for the City, [1,173] persons are employed in retail trade. Other primary business activities in the City include healthcare and social assistance, professional, scientific and technical services. According to the United States Housing and Urban Development and the Virginia Housing and Development Authority, the City has a median family income of approximately \$[117,200], and according to the United States Department of

* NTD: Please provide a more clear indication of the City’s boundaries in the site map.

Commerce, Bureau of Economic Analysis, and LMI, a per capita income of \$[78,376], which is greater than the per capita income for the Commonwealth and the United States.

For information about the City and its demographics, see **Appendix G – “Certain Financial, Economic and Demographic Information Concerning the City.”**

Development Location

The following plan shows the location of West Falls in the larger D.C. Metropolitan area. West Falls is located at the crossroads of three major arteries in the D.C. Metropolitan area: I-66, I-495, and the Dulles Toll Road. These roads facilitate travel to Tysons, Amazon HQ2 in Arlington, Alexandria, Downtown D.C., Dulles International Airport and Reagan National Airport. West Falls is also a five-minute walk to the West Falls Church – VT/UVA metro station on the Orange Line[, which has an average of 5,200 daily riders]*. West Falls offers the advantages of a small city with the convenient transportation, access to employment centers and cultural amenities of Northern Virginia and the greater D.C. region.



Development Background

The Development’s seven parcels will total approximately 1.2 million square feet of luxury apartments, condominiums, senior living, curated retail, grocery, medical office and an extended stay hotel. The Development is walking distance to the West Falls Church Metro Station located on the Orange Line, high-performing schools, and is at the crossroads of three major highways providing access to the D.C. Metro Area’s major employment centers. Individual buildings throughout the development have been designed to achieve either a LEED Gold or LEED Silver designation.

* NTD: Please clarify the source of this information and the date of the information. Please also clarify whether COVID has impacted these figures.

The Developer expects to begin site development in May 2022. TCC expects to deliver the medical office in Q3 2023, while the Developer anticipates that the rest of the Development will be delivered over 2024 and 2025.

The site is located on land that was, until recently, the George Mason High School owned and operated by the Falls Church City Public Schools. The former high school was located in the West Falls Church area of the City of Falls Church. Over the span of several years, the School Board worked with the City of Falls Church to develop a plan that would allow for the construction of a new high school on land then used as a practice field for athletic events.

The School Board and the City Council intended to occupy the new high school, raze the old high school, and then develop the vacant high school land for a mixed-use commercial project. This would allow the formerly tax-exempt land and improvements to be taxable and permit the City to realize other income from the developers of the mixed use project. These tax revenues and other income would then contribute to the capital and operational costs of the new high school building, as well as contribute to other municipal activities. The City followed the Virginia Public-Private Educational Facilities and Infrastructure Act of 2022, and the development of West Falls is the realization of such Act.

Ownership Structure

FCGP will enter into a 99-year leasehold agreement with the Economic Development Authority of Falls Church, who will be the Ground Lessor, for the Project Site upon closing in April 2022. The 99-year term will include a combination of capitalized and on-going annual payments. There will be approximately 16 separate ground leases, which are established at closing to allow for the discrete ownership of individual development components. For additional information regarding the ownership of the Ground Lessees and the Residential Condominium, see “– Project Ground Leases” and “– Project Residential Condominium Fee Owner” below.

The Comprehensive Agreement (“CA”) and Ground Lease outline West Falls’ concept plan, methodology for calculating rents and capital payments, and other key components of the Development. See **“SUMMARY OF CERTAIN PROVISIONS OF THE COMPREHENSIVE AGREEMENT”** and **“SUMMARY OF CERTAIN PROVISIONS OF THE GROUND LEASE.”**

DEVELOPMENT ENTITIES

FCGP

FCGP Development LLC, a Delaware limited liability company (“FCGP”), is responsible for the planning, development, and construction of the Development. FCGP is owned by Falls Church Commons JV LLC, a Delaware limited liability company, which is currently owned and managed by Hoffman & Associates (“Hoffman”).

Hoffman is a leader in both residential and mixed-use development across the Mid-Atlantic. Founded in 1993, Hoffman’s 75 mixed-use, residential, office and retail projects amount to more than \$4.5 billion of development success, including over 7,000 residential units, 2.0 million square feet of office and retail, 1,300 hotel rooms and 15 acres of parks and open space. Hoffman is known for its placemaking expertise, as demonstrated by The Wharf, a \$2.5 billion, mixed-use waterfront neighborhood. Much of Hoffman’s portfolio, including The Wharf, was developed together with public entities. As a result, Hoffman is experienced in developing productive relationships with public agencies, navigating the complexities of governmental processes, and structuring long-term relationships with benefit to public and private entities.

Hoffman is led by Founder and Chairman Monty Hoffman, CEO Mark Dorigan, President Shawn Seaman, EVP of Construction and Development Maria Thompson, EVP of Asset Mgmt. and Finance Jon McAvoy, Principal Broker and EVP Michelle Giannini, and SVP of Development Robin Bettarel and Matthew Steenhoek.

DRI/TCC

DRI/TCC is an affiliate of Trammell Crow Company (“TCC”). TCC was founded in 1948 and is the nation’s leading developer of and investor in commercial real estate. TCC has developed or acquired 2,800 buildings valued at nearly \$70 billion and over 625 million square feet. As of December 31, 2021, TCC had \$18.5 billion of projects

in process and \$9.3 billion in its pipeline. It employs more than 675 professionals in the United States and Europe across 26 major cities.

TCC is an independently operated subsidiary of CBRE Group, Inc. (NYSE:CBRE), a Fortune 500 (#122) and S&P 500 company headquartered in Dallas, Texas, and the world's largest commercial real estate services and investment firm (based on 2021 revenue). TCC's Mid-Atlantic business unit, which has been developing in the Washington D.C. metro region for 45 years, is led by Senior Managing Director Campbell Smith and Managing Directors Eric Fischer (Development & Investment) and Spencer Brott (Construction Management) are responsible for the overall implementation of TCC's respective business plans at West Falls.

TCC will purchase two pad-ready development sites from FCGP. See “– **Pad Sales of Parcels B-1 and D-1**” below. The medical office building (Parcel B-1) will be developed by DRI/TCC West Falls, LLC, a joint venture between TCC and Diamond Realty Investments, and the senior living building (Parcel D-1) will be developed by an affiliate of TC MidAtlantic Development V, Inc.

Pad Sales of Parcels B-1 and D-1

FCGP will deliver pad-ready sites totaling 385,000 square feet to TCC, who will develop the pads for medical office and senior living uses.

TCC expects to enter into two separate ground leases with the City for their respective parcels, which will comprise their participation in the development. TCC anticipates that the first ground lease will be executed on or about the date of delivery of the Series 2022 Bonds and the second ground lease will be executed a few months thereafter. Each building on the site has multiple ground leases to separate the vertical use from the retail use so that the individual components can be separately broken out and sold in flexible manner. TCC is not a party to the Development Agreement, which is between FCGP and the City and thus will not be involved in the financing and construction for the infrastructure portion of the development.

- Parcel B-1: Approximately 132,800 square feet of office and retail uses. The associated transaction price is \$14,000,000. As part of the transaction, TCC will acquire the shared parking garage on Parcel B-3 upon its final completion and owned and operate it accordingly.
- Parcel D-1: Approximately 270,500 square feet of senior living and retail uses. The associated transaction price is approximately \$17,200,000. As part of the transaction, TCC will own 125 parking spaces located within Parcel D-2, the shared garage.

FCGP will purchase approximately 18,300 square feet of retail upon final completion of Parcel B-1 and Parcel D-1 from TCC and has retained the right for its tenants and visitors to access the shared garage located on Parcel B-3.

Forward Sale of Parcel B-2

FCGP has entered into a letter of intent (“LOI”) with Peachtree* for a forward sale of the hotel at Parcel B-2. The LOI contemplates the transaction occurring at building completion.

* NTD: Please define.

Development Ground Leases

The following table details the Development's Ground Leases:

| Building, Use & Condo Lot Number | Entity Name (all Delaware) | Developer |
|--|---------------------------------------|------------------|
| Building A-1 – Apartments; Condo Lot 1 | WF Apartment CL1 & CL10 Lessee LLC | FCGP |
| Building A-1 – Retail; Condo Lot 2 | WF Retail A1CL2 Lessee LLC | FCGP |
| Building B-1 – Office; Condo Lot 3 | DRI/TCC West Falls, LLC | TCC |
| Building B-1 – Retail; Condo Lot 4 | DRI/TCC West Falls, LLC | TCC |
| Building B-2 – Hotel; Condo Lot 5 | FCGP Hotel LLC | FCGP |
| Building B-2 – Retail; Condo Lot 6 | WF Retail B2CL6 Lessee LLC | FCGP |
| Garage B-3; Condo Lot 7 | WF Garage B3CL7 Lessee LLC | FCGP |
| Building D-1 – Senior Living; Condo Lot 8 | WF Senior Living D1CL8 Lessee LLC | TCC |
| Building D-1 – Retail; Condo Lot 9 | WF Retail D1CL9 Lessee LLC | TCC |
| Garage D-2 – Apartment Parking; Condo Lot 10 | WF Apartment CL1 & CL10 Lessee LLC | FCGP |
| Garage D-2 – Senior Parking; Condo Lot 11 | WF Senior Parking D2CL11 Lessee LLC | FCGP |
| Garage D-2 – Retail Parking; Condo Lot 12 | WF Retail Parking D2CL12 Lessee LLC | FCGP |
| Kiosk Building; Condo Lot 13 | WF Kiosk CL13 Lessee LLC | FCGP |
| Commons Park; Condo Lot 14 | WF Commons Park CL14 Lessee LLC | FCGP |
| Building A-1 – Grocer Retail; Condo Lot 15 | WF Grocer A1CL15 Lessee LLC | FCGP |
| Garage A-1 – Parking; Condo Lot 16 | WF Parking A1CL16 Lessee LLC | FCGP |

Development Residential Condominium Fee Owner

The following table identifies the fee owner of the Development's residential condominium building.

| Building & Use | Entity Name (all Delaware) | Developer |
|--|---------------------------------------|------------------|
| Residential Condo Building – Residential Condo Units | WF Condo Owner LLC | FCGP |

DEVELOPMENT SUMMARY

Development summary is based on the current development program and is subject to change.

The Development's seven parcels total approximately 1.2 million square feet of luxury apartments, condominiums, senior living, curated retail, grocer, medical office, and an extended stay hotel.

| | Primary Use | Size / Units | Contractor |
|-------------------|--------------------|---------------------|-------------------|
| Parcel A-1 | Apartment | 400 units | Bozzuto |
| Parcel B-1 | Medical Office | 125k SF | Clark |
| Parcel B-2 | Hotel | 146 keys | Coakley Williams |
| Parcel B-3 | Parking | 362 spaces | Clark |
| Parcel C-1 | Condominium | 126 units | Clark Residential |
| Parcel D-1 | Sr. Living | 210 units | Clark |
| Parcel D-2 | Parking | 602 spaces | Bozzuto |
| Site | Parks / Roads | N/A | Clark |

West Falls Site Plan

The Development's site plan shows each building and parking garage. The Developer anticipates that West Falls will have retail in the ground floor of every building. The West Falls' site plan has been carefully developed to optimize the placement of each use within the redevelopment, and gives prominence to key commercial uses, such as

the grocery, marquee retail, and office building, while providing more privacy and intimacy to such residential uses as the condominium and senior living. The site plan is organized around a central green park. The West Falls site plan was developed with master planner Torti Gallas + Partners and LandDesign, a national landscape architecture firm with a specialty in master planned communities and urban design.

The site plan depicted below also shows public infrastructure improvements that include public park space, new streets internal to the Development, and improvements to project adjacent roads (Mustang Alley, Haycock Road, and Route 7).



Retail and The Commons

The Developer anticipates that West Falls will include retail and restaurants on the ground floor of every building. A signed lease for approximately 40,000 square feet in Parcel A-1 from a national grocer tenant will act as an anchor to the Development. The Developer expects that other retail uses will include daycare, pet care, neighborhood serving retail such as fitness, and best-in-class food and beverage operators.

The retail brokerage team from KLNb is working with FCGP on the retail leasing effort at West Falls and has developed several promising prospects that are actively being negotiated in the LOI or Lease stage. KLNb has substantial experience in urban, town-center, and suburban retail leasing, and represents some of the top retailers and restaurateurs active in the D.C. metro area and are involved in many high-profile redevelopments.

Site and Infrastructure

The Developer will construct a grid of new roads, sidewalks, and bike lanes through the site to provide access to each building and garage, and the surrounding roads. Additionally, new pedestrian and vehicular traffic signals

will be installed to ensure safe and convenient access. Lighting improvements, signage, and placemaking features such as fountains, fire pits, and public art will be installed at the West Falls project to attract and retain visitors. These improvements will create a welcoming, unified project to draw users to all buildings. The Commons, West Fall's signature central park, will provide flexible outdoor space with outdoor seating, moveable furniture, fire pits, and a fountain for children to play in, while also serving as a space for seasonal community events that will center the neighborhood. Public infrastructure improvements will include construction of new sewer facilities as well as significant stormwater management improvements. New domestic water lines and hydrants will also be installed within the proposed roadways and the common areas of the Development and dry utilities will be run to the properties.

Offsite transportation improvements include work on Route 7, Haycock Road, and Mustang Alley, which surround the Development and provide access to West Falls. Improvements include new traffic signals, intersections, streetscape, and paving.

Parcel A-1: Apartments

FCGP will develop the approximately 400-unit apartment building which will bring high quality residence to the Development. The units will have kitchens that offer stainless steel appliances, modern frameless kitchen cabinetry and moveable islands. The units will have 9-foot ceiling heights, large windows and balconies creating light-filled space for residents. The common areas for the building will include a state-of-the-art fitness center with a training room, private yoga studio and dedicated outdoor equipment that is integrated in the courtyard design. Multiple amenity spaces will be located throughout the building and provide abundant room for work, relaxation, and gathering. The building will have two private lobbies for easy access in the building and connectivity into the vibrant surrounding neighborhood. The lobbies will also provide additional seating and work areas, a hospitality bar, and large secured package storage rooms. The building's two courtyards will each have a unique character and provide spaces for outdoor yard games, grilling stations, pool and sun lounge areas. Along with vibrant ground floor retail, the building will have a daycare and large national grocer tenant with entrances along Haycock Road. Hoffman has extensive experience with large mixed-use apartment buildings, including the 501-unit Channel apartments at The Wharf and 440-unit Constitution Square apartments in D.C.'s NoMA neighborhood.

Parcel B-1: Medical Office

Phase 1 of the Development includes 125,000 square feet of medical office space, providing a best-in-class healthcare use. This building will be developed by a joint venture led by TCC, an experienced office developer. There is a strong network of medical and hospital uses in Northern Virginia and this medical office use will complement the existing healthcare infrastructure well.

Parcel B-2: Hotel

Centrally located within the development along Commons Drive, Parcel B-2 will feature a 146-key Home2 Suites. Home2 Suites, an extended-stay Hilton brand, and offer travelers spacious rooms in a modern setting. Hoffman & Associates is making targeted customizations and enhancements to the brand's prototypical interior finishes to be unique to West Falls.

Parcel C-1: Condominiums

Situated at the northwest corner of the development, the condominium building will be home to 126 new modern, elevated units within an eleven-story high-rise LEED Gold structure. Residences offer private outdoor space ranging from balconies to generous terraces facing the western skyline. The building will offer two color scheme options with frameless wood cabinetry and quartz countertops as well as stainless steel appliances. The below-grade garage will allow residents to have one or two parking spaces per unit. Hoffman brings almost 30 years of condominium development and construction experience to bear on this building.

Parcel D-1: Senior Living

West Falls will also feature a 210-unit high quality senior living facility operated by a nationally recognized senior living operator. The program will include independent living to memory care, allowing its residents to age in place. The building will be developed by TCC.

Development Program

The follow table summarizes the development program:*

| Parcel - Use | GSF | NSF | Units / Keys | Avg. SF | Storage | Parking | Construction Start | Duration | Completion |
|--|------------------|----------------|--------------|----------|-----------|--------------|--------------------|----------------|---------------|
| A1 | 444,691 | 377,463 | 400 | - | 25 | 194 | | | |
| A-1 - Apartment | 370,892 | 304,926 | 400 | 762 | 25 | - | Jul-22 | 29 Mos. | Nov-24 |
| A-1 - Retail | 33,140 | 31,878 | - | - | - | - | Jul-22 | 29 Mos. | Nov-24 |
| A-1 - Grocer | 40,659 | 40,659 | - | - | - | - | Jul-22 | 29 Mos. | Nov-24 |
| A-1 - BG Garage | - | - | - | - | - | 194 | Jul-22 | 29 Mos. | Nov-24 |
| B-1^[1] | 132,800 | 132,800 | - | - | - | - | | | |
| B1 - Medical Office | 125,000 | 125,000 | - | - | - | - | May-22 | 17 Mos. | Sep-23 |
| B1 - Retail | 7,800 | 7,800 | - | - | - | - | May-22 | 26 Mos. | Sep-23 |
| B-2 | 107,993 | 70,713 | 146 | - | - | - | | | |
| B-2 - Hotel | 95,807 | 58,527 | 146 | - | - | - | Feb-23 | 17 Mos. | Jun-24 |
| B-2 - Retail | 12,186 | 12,186 | - | - | - | - | Feb-23 | 17 Mos. | Jun-24 |
| C-1 | 198,411 | 167,955 | 126 | - | 25 | 171 | | | |
| C-1 - Condo | 173,713 | 145,092 | 126 | 1,152 | 25 | - | Jun-22 | 26 Mos. | Jul-24 |
| C-1 - Retail | 24,698 | 22,863 | - | - | - | - | Jun-22 | 26 Mos. | Jul-24 |
| C-1 - BG Garage | - | - | - | - | - | 171 | Jun-22 | 26 Mos. | Jul-24 |
| D-1^[1] | 270,500 | 218,500 | - | - | - | - | | | |
| D-1 - Senior Living | 260,000 | 208,000 | - | - | - | - | Jan-23 | 26 Mos. | Feb-25 |
| D-1 - Retail | 10,500 | 10,500 | - | - | - | - | Jan-23 | 17 Mos. | Feb-25 |
| B-3 - Precast Garage ^[2] | - | - | - | - | - | 362 | May-22 | 15 Mos. | Jul-23 |
| D-2 - Precast Garage | - | - | - | - | - | 602 | Jun-22 | 15 Mos. | Aug-23 |
| Kiosks | 3,000 | 3,000 | - | - | - | - | Aug-23 | 6 Mos. | Jan-24 |
| PROJECT TOTAL | 772,395 | 637,431 | 672 | | 50 | 1,329 | | | |
| DEVELOPMENT TOTAL ^[3] | 1,157,395 | 970,431 | 672 | - | 50 | 1,329 | | | |

DEVELOPMENT FINANCING

Community Development Authority Bonds

Proceeds of the Series 2022A Bonds will fund part of the CDA Improvements. The remainder of the public infrastructure for the Development will be financed with other designated funds of FCGP as described below.

Public infrastructure improvements paid for by the Series 2022A Bonds will include [hard and soft costs for the design and construction of: project roads, streets, bike paths, sidewalks, plantings, park space, public art, fountains, digital and technological infrastructure, site fixtures, signage, lighting, street lights, environmental remediation, public utilities, and site demolition].

Northern Virginia Transportation Authority Grant

Offsite public improvements of Route 7 and Haycock Road are being partially funded by the Northern Virginia Transportation Authority (“NVTA”) grant.

FCGP Infrastructure LLC (“FCGP Infrastructure”) and the City entered into a contract committing FCGP Infrastructure to design, engineer, permit, and deliver public infrastructure improvements required for the West Falls

* NTD: Please provide a high resolution image or the underlying table.

along portions of Route 7 (aka Leesburg Pike) and Haycock Road. These improvements include the relocation and undergrounding of utilities, intersection and signal improvements, and pedestrian and streetscape improvements.

FCGP Capitalization

In order to optimize the capitalization stack, FCGP will separate the condominium from the rest of FCGP's portion of Phase 1 of the Development. As a result, Phase 1 will be divided as follows:

- Parcel A-1 Multifamily, Parcel B-2 Hotel, Parcel B-3 and D-2 Garages, and the Project Site (as defined herein)
- Parcel C-1 Condominium

The FCGP financing packages are outlined below.

| FCGP Project Budget | |
|-----------------------------|----------------------|
| Land Costs | \$25,500,000 |
| Hard Costs | 262,820,000 |
| Soft Costs | 37,320,000 |
| Fees | 12,840,000 |
| Contingency | 13,800,000 |
| Financing | 16,060,000 |
| TI/LC* | 18,880,000 |
| FFE/OSE† | 7,120,000 |
| Operating Deficit | 2,160,000 |
| Total Project Budget | \$396,500,000 |

| FCGP Financing Plan | |
|----------------------------|----------------------|
| Uses | |
| Land Costs | \$25,500,000 |
| NVTA Grant Scope | 18,060,000 |
| Horizontal | 31,760,000 |
| Vertical Costs | 305,120,000 |
| Financing Costs | 16,060,000 |
| Total Uses | \$396,500,000 |
| Sources | |
| Construction Loans | \$237,040,000 |
| CDA Net Proceeds | 9,500,000 |
| NVTA Grant | 15,000,000 |
| Project Equity | 134,960,000 |
| Total Sources | \$396,500,000 |

Parcel A-1 Multifamily, Parcel B-2 Hotel, Parcel B-3 and D-2 Garages, and the Project Site

- Equity Partner: Rockwood
- Debt Provider: Mack
- LTC Ratio: Approximately 68.5%
- Interest Rate: SOFR (0.15% floor) + 4.55%
- Term / Maturity Date: 48 months with 12-month extension option
- Loan secured by the property (land and improvements)

* NTD: Please define.

† NTD: Please define.

- Anticipated Closing: end of April 2022

Parcel C-1 Condominium

- Equity Partner: Grosvenor
- Debt Provider: EagleBank
- LTC Ratio: Approximately 65%
- Interest Rate: SOFR + 3.675% - with a floor rate of 4.25%
- Term / Maturity Date: 48 months with 12-month extension option
- Loan secured by the property (land and improvements)
- Anticipated Closing: end of April 2022

TCC Capitalization

TCC is separately financing Parcel B-1 Office and Parcel D-1 Senior buildings primarily due to the different capital relationships for medical office and senior living product types and secondarily due to Parcel D-1's construction commencement date following the rest of the Phase 1 project by several months. TCC's capitalization is detailed below with terms of the financing packages further summarized.

| TCC Project Budget | |
|-----------------------------|----------------------|
| Acquisition Costs | \$31,160,000 |
| Hard Costs | 117,020,000 |
| Soft Costs | 14,800,000 |
| Fees | 6,380,000 |
| Contingency | 7,820,000 |
| Financing | 5,140,000 |
| TI/LC | 20,000,000 |
| FFE/OSE | 4,880,000 |
| Operating Deficit | 3,000,000 |
| Total Project Budget | \$210,200,000 |

| FCGP Financing Plan | |
|----------------------------|----------------------|
| Uses | |
| Acquisition Costs | \$31,160,000 |
| Horizontal | 2,040,000 |
| Vertical Costs | 171,860,000 |
| Financing Costs | 5,140,000 |
| Total Uses | \$210,200,000 |
| Sources | |
| Construction Loans | \$129,740,000 |
| Project Equity | 80,460,000 |
| Total Sources | \$210,200,000 |

Parcel B-1 Office

- Equity Partner: Diamond Realty Investments
- Debt Provider: Alliance Bank of Arizona
- LTC Ratio: 65%
- Interest Rate: 4.5%
- Term / Maturity Date: 4-year base term from closing with two 12-month extension options. Base term maturation in April 2026.
- Loan secured by the property (land and improvements)
- Anticipated Closing: [placeholder]

Parcel D-1 Senior

- Equity Partner: TBD
- Debt Provider: TBD
- LTC Ratio: Approximately 60%
- Interest Rate: est. L+325 (50 bps L floor)
- Term / Maturity Date: TBD
- Loan secured by the property (land and improvements)
- Anticipated Closing: [placeholder]

FCGP Equity and Lot Sale Proceeds

As of closing with the City (at the point the Ground Leases are executed), FCGP has paid or otherwise incurred over \$23,000,000 in costs for construction of development, of which \$8,750,000 was for land acquisition.

Additionally, the proceeds from the sales of Parcel B-1 and Parcel D-1 to TCC will be used by FCGP to pay development costs. The pad sales are part of the TCC land basis and also a source of equity for FCGP.

STATUS OF ZONING, PERMITS, AND APPROVALS

Zoning

FCGP and TCC have received all entitlement approvals necessary for the development of its component of the Development from the City for the West Falls project, with the exception of the SESP approval of the Senior Living Building, Parcel D-1, which is currently under review by the City.

West Fall's current entitlement approvals are as follows:

July 8th, 2019: Approval of the Special Exception Entitlement Application ("SEE") for the Project Site

FCGP submitted an Application for the Approval of a Special Exception Entitlement Application ("SEE") for the Site. This was the first step in a two-step process authorized by the revisions to the B-2 Zoning District. After public review and hearings, that SEE was approved on July 8, 2019 by the adoption of Resolution 2019-20 by the City Council. This SEE set the basic parameters for development of the Site with regard to, for example, height, density, layout, uses, and parking. No construction can occur until the second step in this process, the Special Exception Site Plan ("SESP"), is secured, which occurred on August 9, 2021, as detailed below.

The SEE included a number of conditions, termed "Developer's Voluntary Concessions, Community Benefits, Terms and Conditions" or "Voluntary Concessions" ("VCs") which required, for example, development consistent with the approved Architectural and Engineering plans, provision of affordable housing, traffic demand management programs, phasing of the development of the site, features to assure environmental sustainability, and other site amenities. FCGP will comply with the VCs. Violation of any of the conditions of this Special Exception Entitlement shall be grounds for revocation of the Special Exception Entitlement approval by City Council.

January 14, 2021: Approval for Variances for Condominium Building

FCGP submitted an Application (V1618-20) for two variances. The variances were to allow the stacking of parking spaces and 20 placement of columns less than three feet from the drive aisle within a parking garage for the purpose of construction a parking garage and residential condominium on premises known as 7124 Leesburg Pike RPC #52-221-006 of the Falls Church Real Property Records, Zoned B-2 Central Business District. These variances were approved by the Falls Church Board of Zoning Appeals on January 14, 2021.

August 9, 2021: Approval of Special Exception Entitlement Amendment and Special Exception Site Plan ("SESP")

FCGP made an application to amend the SEE and also to obtain approval of a detailed plan of development set out in its accompanying Special Exception Site Plan (“SESP”). This SESP is Step Two of the Two Step Process set out in the B-2 Zoning Code applicable to the Site. On August 9, 2021, after public review and hearings, the City Council approved the Amendment to the SEE (TR20-29) and immediately thereafter on August 9, 2021, approved the SESP (TR20-30) which was found to be consistent with the Amended SEE.

The resolution approving the SESP incorporates a detailed set of architectural and engineering plans for the construction of the mixed-use development on the Site as well a set of Voluntary Concessions that sets forth the commitments made by FCGP and TCC for West Falls.

Permits and Approvals

FCGP and TCC have established a permitting schedule with the City for acquiring permits ahead of construction. As of mid-November, Building B-1, the Medical Office and Garages B-2 and D-2 have been submitted to the City, and the City has started reviewing Building B-1, the Medical Office.

Based on the schedule established with the City, FCGP and TCC anticipate permits by the following dates:

- Building B-1 Medical Office: Permit submission approved March 2022
- Garage D-2: Anticipated Permit Week of 3/28/2022
- Garage B-3: Anticipated Permit Week of 4/1/2022
- Building C Condominium: Anticipated Permit Week of 4/22/2022
- Building A-1 Apartment: Anticipated Permit Week of 5/9/2022
- Building B-2 Hotel: Anticipated Permit Week of 8/31/2022

Environmental Requirements

FCGP and TCC will meet the foundation and construction recommendations of ECS, West Fall’s geotechnical and environmental engineer, summarized below.

ECS performed subsurface exploration at the George Mason High School/West Falls Church development in June 2020. Based on the borings performed and loading information provided, Buildings A, B-1, B-2, B-3, and D-2 can bear on a system of shallow foundations with design bearing capacities ranging from 4,000 to 5,000 psf.

| Design Parameter | A Multi-family | B1 Office | B2 Hotel | B3 Parking Garage | D2 Parking Garage |
|--|--|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| Lowest Floor Elevation | 379 ft | 389 ft | 387 ft (or 377 ft w/ 2 lvl garage) | 385 ft (or 375 ft w/ 2 lvl garage) | 382 ft |
| Net Allowable Bearing Pressure (Column Footing) ¹ | 4,000 psf | 5,000 psf | 5,000 psf | 4,000 psf | 5,000 psf |
| Net Allowable Bearing Pressure (Wall Footing) ¹ | 4,000 psf | 4,000 psf | 4,000 psf | 4,000 psf | 5,000 psf |
| Acceptable Bearing Soil Material | Stratum 2 - Natural Residual Soils OR Select Structural Fill | Stratum 2 - Natural Residual Soils | Stratum 2 - Natural Residual Soils | Stratum 2 - Natural Residual Soils | Stratum 2 - Natural Residual Soils |
| Minimum Footing Embedment Depth (below slab or finished grade) | 36 inches | 36 inches | 36 inches | 36 inches | 48 inches |
| Maximum Column Loads (kips) | 500 | 1200 | 500 | 650 | 1115 |

According to ECS's report, Building C can be supported on a system of Rammed Aggregate Piers ("RAPs"). Once RAPs are installed, shallow foundations can be constructed over the ground improvement. Anticipated allowable bearing capacities can range from 7,000 to 8,000 psf and piers be extended to approximately 15 to 20 feet.

ECS further found that, due to higher loading, Building D1 can be supported on deep foundations consisting of auger cast in place (ACIP) piles extending to a minimum tip elevation of EL. 330 feet. Anticipated allowable capacities are on the order of 120 tons and 145 tons for pile diameters of 16-inches and 18-inches, respectively.

Natural soils encountered during exploration consist of Silt (ML) and Silty Sand (SM) with pockets of Elastic Silt (MH). Existing fill materials consist of Silt (ML), Silty Sand (SM) with pockets of Clayey Sand (SC). On-site soils noted at Clayey Sand (SC) or more granular appear to be suitable for use as engineering fill; however, we understand that these materials may be environmentally impacted.

Based on environmental borings in Blocks A and C, FCGP may encounter some petroleum-contaminated material when excavating in these areas. However, based on the ECS environmental team's investigation, the petroleum contamination does not appear to be widespread across either Block A or Block C, and most contamination appears to be located in the upper 10 feet. Note that ECS borings are investigative; therefore, ECS will not know the entire extent until construction begins. If any materials are found to be contaminated during excavation operations, the soils will be disposed of at a licensed facility. FCGP has included an allowance in the construction contracts to address any necessary contaminated soil removal and remediation.

PROJECT ARCHITECTS, CONSULTANTS AND PRECONSTRUCTION CONTRACTORS

Torti Gallas + Partners, Master Planner and Architect for Parcel A-1, B-2, and D-2

Torti Gallas + Partners ("TG+P") was established in Silver Spring, Maryland in 1953. Today, with offices in Washington, D.C., Los Angeles, Philadelphia, Tampa, and Istanbul, the firm is one of the largest planning and architectural firms in the United States solely dedicated to the principles of the New Urbanism.

TG+P has extensive experience with all scales of master planning and building projects in the residential, mixed-use downtown, transit-oriented, and commercial markets, applying jurisdictional needs and code requirements in local, national and international markets and has extensive experience in the public and private sectors. TG+P has designed over 475,000 residential units and planned over 1,600 residential and mixed-use communities. These projects have resulted in more than \$30 billion of construction.

Nehmer, Architect for Parcel B-2

Nehmer is an award-winning architecture, construction project management, and design and construction consulting firm specializing in the hospitality industry. Founded in 1989 by Jonathan C. Nehmer, AIA, ISHC, JN+A provides complete architectural design, construction project management, litigation support and mediation, pre-construction services and CADD* animation support.

SK+I, Architect for Parcel C-1

SK+I Architecture is an industry leader in residential and mixed-use projects with extensive experience in urban infill, multifamily, mixed-use design. Their experience extends through all phases of design and project development, including interior design, master planning, feasibility studies, schematic design, and construction administration. Founded in 1999, the firm has delivered over 120 mixed-use and multifamily projects in the Mid-Atlantic region. SK+I Architecture has received over 100 national and international awards for design excellence.

* NTD: Please further define.

Gensler, Architect for Parcel B-1

Gensler is a global architecture, design, and planning firm with 49 locations and more than 6,000 professionals networked across Asia, Europe, Australia, the Middle East, and the Americas. Founded in 1965, the firm serves more than 3,500 active clients in virtually every industry. Gensler serves as an architect on numerous local base building projects such as Wheaton, Tysons Boro, TSA Headquarters.

Perkins Eastman, Architect for Parcel D-1

Founded in 2011, Perkins Eastman DC (“PEDC”) was formed by a group of like-minded designers dedicated to D.C.’s urban core. Tapping into a tradition of community design dating back to the 1950’s, their dynamic practice is committed to preserving, innovating, and providing positive change through design in Washington, D.C [and its neighboring areas]. Their teams have been at the forefront of new developments in the field of education and community design for more than two decades both locally and abroad. With expertise in architecture, master planning, urban design, historic preservation, and adaptive reuse, they are able to assist our communities on a comprehensive range of projects. From The Wharf, to the new Cleveland Park Library in Ward 3, to the reinvention of Roosevelt Senior High School, their comprehensive and future-oriented approach to community and design enables us to create a flexible, stronger, and a more resilient environment for the District.

LandDesign, Landscape Architect for Site

LandDesign provides urban design, planning, civil engineering and landscape architecture services to public, private and federal sector clients across the United States and the world.

Walter Phillips, Civil Engineer for Site, and all Parcels

Located in the City since 1945, Walter Phillips has worked on a majority of the City’s projects including most of the recent mixed-use projects. This includes West Falls Church Economic Development (SEE, SESP), Founders Row (SE, Site Plan), The Lincoln at Tinner Hill (SE, Site Plan), Northgate (SE, Site Plan), Falls Plaza (Site Plan), City Hall (Site Plan), and The Kensington (SE, Site Plan).

Clark Construction Group and Clark Multi-Family Builders Mid-Atlantic, LLC, Preconstruction General Contractor, Site and Parcels B-1, B-3, D-1

For over a century, Clark has been transforming the ideas and visions of their clients into award-winning projects. In the past 10 years, Clark has delivered over 200 projects in the Mid-Atlantic and in 2020 was ranked as the #1 Largest General Contractor in the Greater Washington Area. Clark’s portfolio features projects of all sizes and levels of complexity — from intricate interior renovations to some of the most complex civil operations in the country.

Coakley Williams, Preconstruction General Contractor for Parcel B-2

Coakley Williams has a 60-year history of building award-winning projects in D.C., Maryland and Virginia. Coakley Williams has experience in commercial, hospitality, education, multifamily, industrial, and life-sciences.

Bozzuto Construction, Preconstruction General Contractor for Parcels A1 and D-2

As one of the largest multifamily contractors in the Maryland, D.C. and Virginia region, Bozzuto is confident in its ability to deliver complex projects. To date, Bozzuto has successfully delivered more than 45,000 unique dwelling units and over three million square feet of retail over 172 projects. Bozzuto’s Virginia project portfolio is valued in excess of \$1.1 billion, either in completed or in-progress projects.

SUMMARY OF CERTAIN PROVISIONS OF THE COMPREHENSIVE AGREEMENT

In order to effectuate Phase 1, the City and FCGP entered into a Comprehensive Agreement (“CA”) and Ground Lease, which set out the entire development proposal and thus are summarized here. The following is a

summary of material provisions of the CA. Words and terms used in this summary shall have the same meaning as in the CA.

Purpose

The CA provides for the redevelopment of a [9.45-acre]* site (as further defined in the CA, the “Project Site”) owned by the City, by ground lease and fee conveyance, through two closing phases and FCGP’s redevelopment of the Project Site as a mixed-use, transit-oriented development with residential condominiums, multifamily residential, senior housing, office, retail, hotel, civic, and open space for public use (as further defined in the CA, the “Project”), which is referenced in the other sections of the operating statement as West Falls.

Project Development

The CA contemplates construction of the Development in two phases, which are described in Section 2.2.2 of the CA, but generally consist of:

(1) with respect to phase 1 (“Phase 1”), approximately 1,065,000 gross square feet (“GSF”) of enclosed, occupiable space, including: (a) a minimum of 125,000 GSF of office space, (b) a limited or full-service hotel with a minimum of 80,000 GSF, (c) at least 120,000 GSF of retail space, (d) up to 275,000 GSF of multifamily apartments, (e) up to 275,000 GSF of For-Sale Residential Units, and (f) up to 225,000 GSF of senior housing; and

(2) with respect to phase 2 (“Phase 2”), approximately 154,000 GSF of residential space, including 6,400 GSF for retail, and approximately 265,000 GSF of office use.

A portion of the Residential Units shall be maintained as affordable for individuals and families and FCGP must provide Affordable Dwelling Units (“ADU’s”) in a number equal to six percent (6%) of the total number of Residential Units.

The Development will be constructed as separate vertical components (each, a “Vertical Development Site”), which will each be a separate record and tax lots or condominium lots. FCGP commits to completing demolition of the existing high school on an agreed upon schedule. The demolition was completed on or about September 1, 2021.

Conveyance

The City will convey to FCGP the Project Site in the following manner:

- a portion (the “Leased Site”) will be leased to FCGP pursuant to separate ground leases for each Vertical Development Site with terms of ninety-nine (99) years each starting on the Phase 1 Closing and being coterminous. Further terms of such ground leases are described in the Summary of Certain Provisions of the Ground Lease;
- a portion (the “Phase 1 Owned Site”) will be conveyed to FCGP in fee simple at the Phase 1 Closing, and a portion (the “Phase 2 Residential Site”) will be conveyed to FCGP in fee simple at the Phase 1 Closing or if FCGP elects, ground leased to FCGP; and
- FCGP has certain rights to assign its interest in portions of the Development to specified or approved developers/operators (the senior housing and office space portions of West Falls will be assigned to TCC affiliated entities.

* NTD: Please confirm acreages throughout.

Base Rent; Supplemental Base Rent; Profit Share of Land Value; Capital Administrative Fee; Share of Net Proceeds

Base Rent is due under the ground leases for the Phase 1 Leased Site in the aggregate amount of \$25,500,000, minus the Phase 1 Owned Site Payment (as defined in the CA, but generally equal to the fair market value of the Phase 1 Owned Site). The current payment schedule for the Base Rent, and the methodology for allocation among ground leases, is set forth in Schedule 4.1.1 to the CA (and reproduced in the Summary of Certain Provisions of Ground Lease).

Base Rent for the portion of the Project Site developed as part of Phase 2 (“Phase 2 Property”) is the greater of (i) 10,000,000 and (ii) the then-current Market Value of the Phase 2 Property minus the Infrastructure Costs allocable to Phase 2, which methodology is further explained in Section 4.1.1(2) of the CA. The methodology for allocation among ground leases is set forth in Schedule 4.1.1 to the CA (and reproduced in the Summary of Certain Provisions of Ground Lease). If Phase 2 contains a fee transfer, a portion of the Base Rent is to be allocated to the purchase of the fee portion commensurate with its Market Value compared with the entirety of the Phase 2 Property.

The CA also requires the annual payment of Supplemental Base Rent in the amounts set forth in Exhibit A to the CA (and reproduced in the Summary of Certain Provisions of Ground Lease). Supplemental Base Rent is currently scheduled to commence on the first business day of December, 2025.

The CA also requires payment of (A) a profit share of the value of the land, calculated in accordance with the CA (which, broadly speaking, is currently set at fifty percent (50%) of the amount by which the land value, less predevelopment costs exceeds \$25,500,000, (B) a fee (calculated in accordance with the CA) for every sale (and every re-sale) of a For-Sale Residential Unit, and (C) on the earlier of (x) 95% of all For-Sale Residential Units have been sold or (y) December 31, 2027, a one-time fee equal to 30% of the Net Proceeds above \$750/NSF, as calculated in accordance with the CA.

Construction Guaranties; Release of Guaranties; Guarantors

At the closing for Phase 1 (and Phase 2, if Horizontal Development is not completed prior to the Phase 2 closing), FCGP is required to deliver completion guaranties with respect to Horizontal Development for each Project Component of each Phase and Vertical Development to be constructed in Phase 1 (except on the Phase 1 Residential Site 2, which guaranty will be provided prior to commencement of construction). At the closing for Phase 1, FCGP is also required to deliver a completion guaranty with respect to each Vertical Development to be constructed in Phase 2. Release of the applicable guaranty generally occurs, subject to other requirements, upon final completion of the applicable development. The guarantor must be approved by the City, and a form of guaranty is attached as Exhibit C of the CA; provided, any guarantor and form of guaranty acceptable to the applicable lender will be deemed approved by the City.

Financing Plan; Budgets; City Project Funds

The Initial Financing Plan is attached as Schedule 5.1.1 of the CA (and shown below) and the Initial Project Budget is set forth on Schedule 5.2.1 of the CA (and shown below). The final versions are to be delivered at each closing and subject to the City’s review pursuant to the terms of the CA.

Prior to the closing on Phase 1, the City Manager is to introduce and support legislation to the City Government to create a Community Development Authority to issue tax-exempt bonds in order to fund certain infrastructure as part of the Development, which will have commensurate assessment against the Phase 1 property to cover payment of the tax-exempt bonds. This Community Development Authority has been created.

Right of Inspection; Hazardous Materials; As-Is; Title and Survey

FCGP may continue to conduct diligence on the Project Site, subject to certain requirements of the City and insurance/indemnification requirements under the CA. The City also makes certain representations with respect to hazardous materials, and the City and Developer share responsibility with respect to hazardous materials discovered on the site as further described in the CA. The Development is to be conveyed “as-is”, subject to the specific

representations and warranties in the CA. FCGP has limited ability to continue to review title and survey and provide title objections. After the effective date of the CA, the City is not to encumber the Project Site without FCGP's approval.

In the event of a taking of the entire Project Site, or such portion that development is no longer feasible, whether physically or economically, a payment (as described in Schedule 4.1.1 of the CA) will be refunded to FCGP and the CA will terminate.

Closing; Phase 1; Phase 2

The closing on Phase 1 will occur pursuant to mutual agreement after certain conditions have been satisfied pursuant to the CA (generally, re-subdivision so that the City is sole owner of the Phase 1 property, certain title requirements have been satisfied and the high school is ready for demolition) have been satisfied. Unless otherwise agreed, the closing on Phase 1 will be on August 3, 2021 (execution target extended to April 1, 2022, with an outside date of April 30, 2022). Closing on Phase 2 will occur on the earlier of June 2, 2026, or a date selected by FCGP upon 15 days' prior notice to the City, subject to FCGP's three option to extend closing for one year each, subject to payment of a \$800,000 for exercise of each option. FCGP may elect to acquire the fee interest of, or ground lease, the Phase 2 Residential Site. FCGP may also choose to lease or not lease the Phase 2 Office Site on the Phase 2 property. If FCGP does not choose to lease the Phase 2 Office Site, and the City intends to change the use of such site from office, FCGP has the right to negotiate to purchase or ground lease the Phase 2 Office Site. Closing deliverables, recording instructions, allocation of closing costs and prorations at each closing are all set forth in Article 7 of the CA.

Submissions for City's Approval; REA

The City has approval rights over certain pre-development and construction permits and submissions, the Financing Plan, the Initial Project Budget (and the final), and others, pursuant to the Schedule of Performance and scope of City's review and approval set forth in the CA. The City and FCGP are to agree upon a form of reciprocal easement agreement prior to closing on Phase 1 to govern maintenance and operation of the Development.

Project Development; Construction

FCGP, as Master Developer, will develop West Falls directly or through one or more Vertical Developers. City will grant to FCGP a "Phase 2 Access Easement" at the closing on Phase 1 to facilitate access over and use of the Phase 2 Property for purposes of developing Phase 1. The Developer will be responsible for development of Horizontal Development and Vertical Development in accordance with timing and other requirements of the CA and ancillary documents. FCGP may request a ground lease or sublease to be entered into with a Vertical Developer, provided that FCGP shall remain responsible for certain obligations under the CA.

FCGP is to develop West Falls in accordance with a Schedule of Performance set forth in Schedule 9.2.4, subject to FCGP's right to modify the same in accordance with the CA. FCGP is obligated to complete certain pre-closing site work, obtain permits, certificates of occupancy, and certificates of substantial completion, and retain records. The City is to reasonably cooperate with respect to obtaining approvals and permits and fulfilling City's obligations under the CA.

Representations and Warranties; Conditions Precedent to Closing

The City and FCGP have made customary representations and warranties as set forth in Article 10 of the CA, to be updated and restated as of each Closing. Conditions precedent to each party's obligation to proceed to Closing are set forth in Article 11 of the CA, which contains, with respect to the City's obligation to close, the requirements that all applicable Vertical Developer Agreements have been fully executed, the applicable Financing Plan and Final Project Budget have been provided to the City, FCGP has received Zoning Approval, FCGP has completed Pre-Closing Site Work, and others.

For the City's failures to meet conditions to close, FCGP can waive the condition and proceed to Closing; terminate the CA and receive a refund of payments made thereunder and receive Delay Damages; extend the Outside Closing Date and collect Delay Damages; or institute an action for specific performance. For FCGP's failures to meet

conditions to close, the City can waive the condition and proceed to Closing; extend the Closing date; or terminate the CA.

PILOT Program

The City and FCGP is to enter into a program for the payment in lieu of taxes at the closing on Phase 1, the amounts and general terms of which are set forth in Exhibit E-1 (and attached to this Summary). Prior to the closing on Phase 1, the parties will discuss in good faith the creation of a similar program for Phase 2.

Assignment/Transfer

Prior to Stabilization (as defined below), FCGP may not sell, assign or otherwise transfer, by operation of law or otherwise: (A) any interest in all or any portion of the CA or any ground lease, or (B) any beneficial interest in tenant under a ground lease (whether in one or multiple transactions), which, when aggregated, (i) equate to more than fifty percent (50%) of a beneficial interest of tenant under a ground lease or (ii) result in a change of control of FCGP; provided, however, that such restriction would not be applicable to certain specific transfers as further described in the CA, including, without limitation, (a) to the Levine School of Music, (b) to an Approved Senior Living Developer or an Approved Office Developer (which, in both instances, shall be an affiliate of TCC, as discussed above) (c) in connection with raising equity for development, redevelopment or construction, so long as no change of control has occurred, (d) to an affiliate of FCGP, (e) to Regency (with respect to the retail Project Component) or (d) if prior written approval of the City is obtained, which will not be unreasonably withheld, conditioned or delayed in certain events, all as further set forth in the CA.

Following Stabilization, provided that the portion of the Leased Site to be transferred will be managed by a professional manager with at least ten (10) years of experience managing such asset type, FCGP and the Vertical Developer, as the case may be, may transfer the Leased Site and other transfers upon receipt of the City's approval the Ground Lease, to be conditioned upon satisfaction of certain standard requirements (i.e. delivery of an executed assumption of the Ground Lease or beneficial interest (as applicable)).

For purposes of the CA, 'Stabilization' means that: (a) at least fifty (50%) of the gross square footage of retail space on Phase 1 is leased and occupied; (b) a Certificate of Occupancy has been obtained for the Building/Vertical Development/Project Component for which Stabilization is being determined; and (c) implementation of key components of the placemaking and amenity plan (as further outlined in the CA).

Events of Default

The City has certain remedies for events of default by PCGP (which differ depending on whether FCGP defaults prior to closing on Phase 1, after the closing on Phase 1 (with respect to Phase 1 obligations), before the closing on Phase 2 (with respect to Phase 2 obligations), or after the closing on Phase 2. Each party waives consequential, punitive, and special damages against the other.

Miscellaneous Provisions

The term of the CA is from its Effective Date until Final Completion of Phase 1 (with respect to Phase 1 obligations), Final Completion of Phase 2 (with respect to Phase 2 obligations), or the earlier termination of the CA.

Both parties may claim Force Majeure in certain instances to excuse delay in performance (however, Developer may not use COVID-19 pandemic as basis for Force Majeure).

The parties to continue to work in good faith to finalize the "Critical Agreements" – Construction Covenant, Declaration of Covenants, Conditions and Restrictions, PILOT Agreement, and Phase 2 Access Easement no later than June 28, 2019; provided that such agreements are now expected to be completed prior to Closing on the Ground Lease.

Subject to the specific terms of the CA, FCGP is granted a right of first offer (the “ROFO”) with respect to any proposed sale of the City’s interest in the Leased Site or any portion thereof (such interest subject to sale being the “ROFO Premises”). Following written notice from the City that the City has elected to market or desires to sell the ROFO Premises or the City’s interest therein, FCGP may submit its desired price to purchase the ROFO Premises (the “ROFO Price”), together with the other terms and conditions of such listing, which terms and conditions shall reflect FCGP’s good faith determination of market conditions and the market value of the ROFO Premises (the “ROFO Notice”). If the parties agree on the ROFO Price and other business terms reflected in ROFO Notice, then the ROFO Price and other terms so agreed upon shall be deemed to be a part of the terms upon which FCGP shall have the right to exercise its ROFO and the parties shall negotiate in good faith the remaining terms and conditions of any purchase of the ROFO Premises for a period of thirty (30) days which other terms and conditions shall be consistent with customary purchase and sale agreements for commercial property in the Northern Virginia area and proceed to closing of the sale.

If the parties are unable to agree on the terms and conditions of the sale of the ROFO Premises (the “ROFO Terms”) within the thirty (30) day period following the City’s receipt of ROFO Notice, then the City shall have the right to sell the ROFO Premises to a third-party, provided that the price of such sale (including any agreed-upon credits, adjustments, or prorations) shall exceed the ROFO Price and contain all or equivalent ROFO Terms (or the higher purchase price can be justified by relative changes to the ROFO Terms).

This right will be incorporated into each Ground Lease.

FCGP is to complete negotiation of the transactional agreements with the grocer, Block B-1 office developer, and senior housing developer on or before March 31, 2021 (negotiations of such transactional agreements were completed after such date). FCGP is to complete demolition of the portion of the existing high school within the “Trapezoid Area” so that Gilbane can commence its work by May 29, 2021; provided that it will protect the four separate active utilities located within the Trapezoid Area during the demolition. The Developer is to complete demolition of the remainder of the high school in a timely manner with the work substantially completed by October 15, 2021 (demolition was actually completed on or about September 1, 2021).

CA Initial Financing Plan

| Sources and Uses | Phase I |
|----------------------------------|----------------------|
| Uses | |
| Land Costs | \$37,000,000 |
| Public Site Costs (CDA Eligible) | 10,756,956 |
| Horizontal Site Costs | 28,000,000 |
| Vertical Costs | 383,000,000 |
| Financing Costs | 13,243,044 |
| Total Uses | \$472,000,000 |
| Sources | |
| Construction Loan | \$283,200,000 |
| CDA (Net Proceeds) | 10,756,956 |
| Equity | 178,043,044 |
| Total Sources | \$472,000,000 |

CA Initial Project Budget

| Proposed Budget | Phase I |
|-----------------|--------------|
| Land | \$37,000,000 |
| Predevelopment | 16,000,000 |
| Hard Cost | 298,000,000 |
| Soft Cost | 33,000,000 |

| | |
|--------------------|---------------|
| Fees | 18,000,000 |
| Contingency | 24,000,000 |
| Financing | 12,000,000 |
| TI/LC | 26,000,000 |
| FFE/OSE | 4,000,000 |
| Operating Deficit | 4,000,000 |
| Total Project Cost | \$472,000,000 |

CA General Terms of PILOT Agreement

General Terms of PILOT Agreement

| <u>PILOT Tax Year</u> | <u>Amount of PILOT*</u> |
|--|---|
| 1 (12-month period commencing on the first July 1 following the Phase 1 Closing (e.g., if the Phase 1 Closing is the Outside Closing Date, then July 1, 2022 – July 30, 2023)) | \$0 |
| 2 (ensuing 12-month period, months 13-24) | \$0 |
| 3 (ensuing 12-month period, months 25-48) | The lesser of \$1,000,000 or the actual real estate taxes |
| 4 (ensuing 12-month period, months 49-72) | The lesser of \$1,500,000 or the actual real estate taxes |
| 5 (ensuing 12-month period, months 73-96) | The lesser of \$2,000,000 or the actual real estate taxes |
| 6 (ensuing 12-month period, months 97-120) | The lesser of \$3,000,000 or the actual real estate taxes |

*During the term of the PILOT Agreement, real estate taxes (“Regular Tax Payments”) shall be payable as if the PILOT Agreement did not exist. Upon payment of the Regular Tax Payments, the City shall promptly within thirty (30) days of receipt, repay the Regular Tax Payments in excess of the PILOT payment to the parties who made such payments. In the event such repayment is not timely made, such amounts shall bear interest at the Default Rate and may be offset against any payments due under any Ground Lease, (ii) the PILOT Agreement or (iii) any future Regular Tax Payments.

SUMMARY OF CERTAIN PROVISIONS OF GROUND LEASE

The following is a summary of material provisions of the Lease Agreement to be entered into by FCGP, or its transferee(s) (“Tenant”), as tenant, and the Economic Development Authority of Falls Church (the “Authority”), as landlord (the “Ground Lease”). Words and terms used in this summary shall have the same meaning as in the Lease Agreement.

Term of Lease

The Tenant is entitled to possession of West Falls on the Commencement Date, which will be the Effective Date of the Ground Lease. The Ground Lease has an initial term of ninety-nine (99) years.

Base Rent; Supplemental Base Rent; Profit Share of Land Value

Base Rent is due under the Ground Lease in the aggregate amount of \$25,500,000, minus the Phase 1 Owned Site Payment (as defined in that certain Comprehensive Agreement dated as of June 12, 2019 by and between the City and FCGP, as amended by that certain First Amendment to Comprehensive Agreement, dated February 26, 2021 (as amended, the “CA”), but generally equal to the fair market value of the Phase 1 Owned Site), which aggregate Base Rent is subject to allocation among the ground leases for the various phases of West Falls. The current payment schedule for the Base Rent is set forth in Schedule 4.1.1 to the CA as copied below:

Phase 1 Payments

| <u>Payment Date</u> | <u>Base Rent</u> |
|---|------------------|
| Later of June 28, 2019 or the Critical Agreements Date ("Payment #1")* | \$6,500,000.00 |
| December 31, 2021 ("Payment #2Ai") | \$1,800,000.00 |
| At Phase 1 Closing ("Payment #2Aii") | \$450,000.00 |
| June 30, 2022 ("Payment #2B") | \$2,250,000.00 |
| December 31, 2022 ("Payment #3A") | \$2,250,000.00 |
| June 30, 2023 ("Payment #3B") | \$2,250,000.00 |
| December 31, 2023 ("Payment #4A") | \$2,250,000.00 |
| June 30, 2024 ("Payment #4B") | \$2,250,000.00 |
| December 31, 2024 ("Payment #5A") | \$2,250,000.00 |
| June 30, 2025 ("Payment #5B") | \$2,250,000.00 |
| December 31, 2025 ("Payment #6") | \$400,000.00 |
| June 30, 2026 ("Payment #7") | \$600,000.00 |

* The parties agree Payment #1 has been made to City.

The Ground Lease also requires the annual payment of Supplemental Base Rent, currently scheduled to commence on the first business day of December, 2025, in the amounts set forth in Exhibit A to the CA as shown on the following page.

Phase 1 Supplemental Base Rent Amounts

| Payment # | Date | Amount | Payment # | Date | Amount |
|-----------|--------|-----------|-----------|--------|-------------|
| 1 | Dec-25 | \$200,000 | 48 | Dec-72 | \$793,897 |
| 2 | Dec-26 | \$205,500 | 49 | Dec-73 | \$815,729 |
| 3 | Dec-27 | \$211,151 | 50 | Dec-74 | \$838,162 |
| 4 | Dec-28 | \$216,958 | 51 | Dec-75 | \$861,211 |
| 5 | Dec-29 | \$222,924 | 52 | Dec-76 | \$884,894 |
| 6 | Dec-30 | \$254,055 | 53 | Dec-77 | \$909,229 |
| 7 | Dec-31 | \$261,041 | 54 | Dec-78 | \$934,233 |
| 8 | Dec-32 | \$268,220 | 55 | Dec-79 | \$959,924 |
| 9 | Dec-33 | \$275,596 | 56 | Dec-80 | \$986,322 |
| 10 | Dec-34 | \$283,175 | 57 | Dec-81 | \$1,013,446 |
| 11 | Dec-35 | \$290,962 | 58 | Dec-82 | \$1,041,316 |
| 12 | Dec-36 | \$298,963 | 59 | Dec-83 | \$1,069,952 |
| 13 | Dec-37 | \$307,185 | 60 | Dec-84 | \$1,099,375 |
| 14 | Dec-38 | \$315,633 | 61 | Dec-85 | \$1,129,608 |
| 15 | Dec-39 | \$324,312 | 62 | Dec-86 | \$1,160,672 |
| 16 | Dec-40 | \$333,231 | 63 | Dec-87 | \$1,192,591 |
| 17 | Dec-41 | \$342,395 | 64 | Dec-88 | \$1,225,387 |
| 18 | Dec-42 | \$351,811 | 65 | Dec-89 | \$1,259,085 |
| 19 | Dec-43 | \$361,486 | 66 | Dec-90 | \$1,293,710 |
| 20 | Dec-44 | \$371,426 | 67 | Dec-91 | \$1,329,287 |
| 21 | Dec-45 | \$381,641 | 68 | Dec-92 | \$1,365,843 |
| 22 | Dec-46 | \$392,136 | 69 | Dec-93 | \$1,403,403 |
| 23 | Dec-47 | \$402,920 | 70 | Dec-94 | \$1,441,997 |
| 24 | Dec-48 | \$414,000 | 71 | Dec-95 | \$1,481,652 |
| 25 | Dec-49 | \$425,385 | 72 | Dec-96 | \$1,522,397 |
| 26 | Dec-50 | \$437,083 | 73 | Dec-97 | \$1,564,263 |
| 27 | Dec-51 | \$449,103 | 74 | Dec-98 | \$1,607,280 |
| 28 | Dec-52 | \$461,453 | 75 | Dec-99 | \$1,651,481 |
| 29 | Dec-53 | \$474,143 | 76 | Dec-00 | \$1,696,896 |
| 30 | Dec-54 | \$487,182 | 77 | Dec-01 | \$1,743,561 |
| 31 | Dec-55 | \$500,579 | 78 | Dec-02 | \$1,791,509 |
| 32 | Dec-56 | \$514,345 | 79 | Dec-03 | \$1,840,775 |
| 33 | Dec-57 | \$528,490 | 80 | Dec-04 | \$1,891,397 |
| 34 | Dec-58 | \$543,023 | 81 | Dec-05 | \$1,943,410 |
| 35 | Dec-59 | \$557,956 | 82 | Dec-06 | \$1,996,854 |
| 36 | Dec-60 | \$573,300 | 83 | Dec-07 | \$2,051,767 |
| 37 | Dec-61 | \$589,066 | 84 | Dec-08 | \$2,108,191 |
| 38 | Dec-62 | \$605,265 | 85 | Dec-09 | \$2,166,166 |
| 39 | Dec-63 | \$621,910 | 86 | Dec-10 | \$2,225,736 |
| 40 | Dec-64 | \$639,013 | 87 | Dec-11 | \$2,286,944 |
| 41 | Dec-65 | \$656,585 | 88 | Dec-12 | \$2,349,835 |
| 42 | Dec-66 | \$674,642 | 89 | Dec-13 | \$2,414,455 |
| 43 | Dec-67 | \$693,194 | 90 | Dec-14 | \$2,480,853 |
| 44 | Dec-68 | \$712,257 | 91 | Dec-15 | \$2,549,076 |
| 45 | Dec-69 | \$731,844 | 92 | Dec-16 | \$2,619,176 |
| 46 | Dec-70 | \$751,970 | 93 | Dec-17 | \$2,691,203 |
| 47 | Dec-71 | \$772,649 | 94 | Dec-18 | \$2,765,211 |

The Tenant is further obligated to pay a profit share of the value of the land, calculated in accordance with the CA (which, broadly speaking, is currently set at fifty percent (50%) of the amount by which the land value, less predevelopment costs exceeds \$25,500,000).

Project Development; Construction

The current form of Ground Lease contemplates development of Phase 1 of West Falls as further described in Section 2.2.2 of the CA, but generally consisting of approximately 1,065,000 gross square feet (GSF) of enclosed, occupiable space, including: (a) a minimum of 125,000 GSF of office space, (b) a limited or full-service hotel with a minimum of 80,000 GSF, (c) at least 120,000 GSF of retail space, (d) up to 275,000 GSF of multifamily apartments, (e) up to 275,000 GSF of For-Sale Residential Units, and (f) up to 225,000 GSF of senior housing.

Commencement of construction of West Falls is deemed to have occurred upon commencement of on-site construction of a building or other construction work, as applicable, including any excavation or pile driving but not including test borings, test pilings, surveys and similar pre-construction activities. Following commencement of construction, such work is required to be completed with reasonable promptness (subject to force majeure), in a good and workmanlike manner and, in substantial accordance with any plans and specifications required to be approved by the Authority under the Ground Lease. All such work is further required to be completed in accordance with that certain Construction Covenant, the form of which is attached to the CA as Exhibit A-2.

Substantial Completion; Final Completion; Outside Date for Final Completion

Per the Ground Lease, substantial completion means that the applicable component of work has been completed in substantial accordance with the approved plans and specifications and a certificate of occupancy has been issued for such component, subject only to (i) punch list items and (ii) items of exterior landscaping. With respect to office and retail uses, substantial completion shall not require completion of improvements located within any portion of West Falls leased or to be leased to an occupancy Tenant. Final completion is deemed to have occurred following: (i) substantial completion of each West Falls component, (ii) completion or satisfaction of all punch-list have been completed or satisfied, (iii) removal of all mechanics', laborers' or materialmen's liens or similar encumbrances related to the work (or the same are being contested by Tenant in accordance with the provisions of the Ground Lease), and (iv) the applicable statutory lien periods have expired (or final lien waivers have been delivered).

Per the CA, final completion of Phase 1 of West Falls is required to occur on or before the Final Completion Date as set forth in the Schedule of Performance attached to the CA as Schedule 9.2.4 (currently required to occur 12 months following substantial completion (which in turn is required to occur 84 months following the Phase 1 closing). A copy of the Schedule of Performance is shown on the following page.

Schedule 9.2.4: Schedule of Performance

| Item | Project Milestones | Submission Date | Target Completion Date | Outside Completion Date |
|------|--|-----------------|--|--|
| 1 | City Council Approval of Comprehensive Agreement (CA) | | 13-May-19 | COMPLETE |
| 2 | Re-Submission of SEE to the City | Submission 1 | 6-Jun-19 | COMPLETE |
| 3 | Initial Budget and Financing Plan Submitted to the City ("B&F") | Submission 2 | COMPLETE | COMPLETE |
| 4 | Initial Budget and Financing Plan Approved by the City | | 10 days post B&F | COMPLETE |
| 5 | Council Approval of SEE Re-submission and Voluntary Concessions ("SEE" and "VC") | | 8-Jul-19 | COMPLETE |
| 6 | CA Effective Date ("CAED") | | 25-May-19 | COMPLETE |
| 7 | Phase 1 Base Rent Payment #1 (in escrow) (4.1.2) | | 28-Jun-19 | COMPLETE |
| 8 | Phase 1 Base Rent Payment #1 (released from escrow) (4.1.2) | | 10-Aug-19 | COMPLETE |
| 9 | SESP Submission to City ("SESP") | Submission 3 | 6 months after CAED | COMPLETE |
| 10 | SESP Approval by City ("SESP Approval") | | 6 months after SESP | 12 months after SESP |
| 11 | First Permit Submission to City ("Permit") | Submission 4 | 2 months after SESP Approval | 12 months after SESP Approval (Multiple bldgs) |
| 12 | Approval of Permit Submission to City ("Permit Approval") | | 4 months after Permit | 9 months after Permit |
| 13 | Final Budget and Financing Plan Submission to the City ("Final B&F") | Submission 5 | 2 months prior to Closing | 1 month prior to Closing |
| 14 | Approval of Final Budget and Financing Plan by City | | 15 days post Final B&F | Closing |
| 15 | High School Turnover Condition Met ("Turnover") | | COMPLETE | 29-Jan-21 |
| 16 | Turnover of Portion of Demolished High School to Falls Church City Schools | | 29-May-21 | 29-May-21 |
| 17 | Demolition of Existing School | | 6-Sep-21 | 15-Oct-21 |
| 18 | Phase 1 Closing ("Closing") | | 31-Dec-21 | 30-Apr-22 |
| 19 | Phase 1 Base Rent Payment #2Ai (4.1.1) | | 31-Dec-21 | 31-Dec-21 |
| 20 | Phase 1 Base Rent Payment #2Aii (4.1.1) | | 31-Dec-21 | At Phase I Closing |
| 21 | Phase 1: Commencement of Horizontal Development | | 2 months post Closing | 12 months post Closing |
| 22 | Phase 1: First Building Commencement of Construction ("Construction Start") | | 3 months post Closing | 12 months post Closing |
| 23 | Phase 1B Closing ("Phase 1B Closing") | | 28-Feb-22 | 9 months post Closing |
| 24 | Phase I: Base Rent Payment #2B (4.1.1) | | 30-Jun-22 | 30-Jun-22 |
| 25 | Phase I: Base Rent Payment #3A (4.1.1) | | 31-Dec-22 | 31-Dec-22 |
| 26 | Phase I: Base Rent Payment #3B (4.1.1) | | 30-Jun-23 | 30-Jun-23 |
| 27 | Phase I: Base Rent Payment #4A (4.1.1) | | 31-Dec-23 | 31-Dec-23 |
| 28 | Phase I: Base Rent Payment #4B (4.1.1) | | 30-Jun-24 | 30-Jun-24 |
| 29 | Phase I: Base Rent Payment #5A (4.1.1) | | 31-Dec-24 | 31-Dec-24 |
| 30 | Phase I: Base Rent Payment #5B (4.1.1) | | 30-Jun-25 | 30-Jun-25 |
| 31 | Phase 1 Base Rent Payment #6 (4.1.2) | | 31-Dec-25 | 31-Dec-25 |
| 32 | Phase 1 Base Rent Payment #7 (4.1.2) | | 31-Dec-26 | 31-Dec-26 |
| 33 | Phase 1: Commencement of Office and Hotel Portion of Project | | 6 months post Closing | 48 months post Closing |
| 34 | Phase 1: Last Building Commencement of Construction, Residential Site 2 | | 12 months post Closing | 60 months post Closing |
| 35 | Phase 1: Substantial Completion of Horizontal Development | | 36 months post Closing | 84 months post Closing |
| 36 | Phase 1 Substantial Completion of Construction ("Substantial Completion") | | 36 months post Closing | 84 months post Closing |
| 37 | Phase 1 Final Completion | | 12 months after Substantial Completion | 12 months post Substantial Completion |

Permitted Use

Generally, the Ground Lease permits all lawful uses other than the following prohibited uses: (a) a massage parlor (excluding massage services provided at day spas, salons or other similar reputable businesses), (b) a store providing off-track betting or gambling (excluding lottery, lotto, Keno or similar type of gaming), (c) a store whose primary purpose is the sale, rental or display of pornographic materials, (d) a store whose primary purpose is for the sale or display of firearms or other weapons, (e) a strip club, or (f) any illegal use.

Taxes (PILOT)/Insurance/Costs

The Base Rent is intended to be absolutely net to Authority without any abatement, deduction, counterclaim, set-off or offset, and all additional costs, expenses and other charges relating to the ground leased premises are to be paid directly by Tenant.

Consistent with the foregoing, Tenant is responsible for the direct payment, as and when due, of all taxes and impositions, including, without limitation (a) taxes, (b) water, water meter and sewer rents, rates and charges, (c) excises, (d) levies, (e) license and permit fees; (f) service charges with respect to police protection, fire protection, etc., and (g) special assessments. Taxes specifically exclude municipal, state or federal income, gross receipts, inheritance, estate, succession, profit, capital or transfer gains taxes of Authority (if any), or any corporate franchise tax imposed upon Authority (if any) or any transfer or gains tax imposed on Authority (if any).

Notwithstanding the foregoing regarding taxes, Phase 1 of West Falls shall be subject to a program for the payment in lieu of taxes ("PILOT") - in lieu of real estate taxes, and Tenant will be responsible for paying the amounts set forth in Exhibit C to the Lease. Following the expiration of the term of the PILOT (currently set for 10 years), the PILOT will cease to apply and Tenant shall pay all taxes otherwise in accordance with the Ground Lease.

Throughout the term, Tenant must maintain the insurance policies as further outlined in the Ground Lease, with additional insurance required to be maintained during any period of construction work. To the extent Tenant fails to carry insurance as required under the Ground Lease, Authority may place and maintain such coverage and charge any premiums back to Tenant as an additional cost under the Ground Lease.

As noted above, the Ground Lease is intended to be net to Authority - Tenant is responsible for all maintenance and repairs of the ground leased premises and generally is required keep and maintain the ground leased premises in good and safe order and condition in a first-class manner that is consistent with the maintenance of other comparable properties of comparable age and quality in the Northern Virginia area.

Assignment/Transfer

Prior to Stabilization (as defined below), and as further outlined in Section 10 of the Ground Lease, Tenant may not sell, assign or otherwise transfer, by operation of law or otherwise: (A) any interest in all or any portion of the Ground Lease, or (B) any beneficial interest in Tenant (whether in one or multiple transactions), which, when aggregated, (i) equate to more than fifty percent (50%) of a beneficial interest of Tenant or (ii) result in a change of control of Tenant; provided, however, that such restriction would not be applicable to certain specific transfers as further described in the Ground Lease and the CA, including, without limitation, (a) to the Levine School of Music, (b) to an Approved Senior Living Developer or an Approved Office Developer (which, in both instances, shall be an affiliate of TCC, as discussed above), (c) in connection with raising equity for development, redevelopment or construction, so long as no change of control has occurred, or (d) if prior written approval of Authority is obtained (and the Ground Lease sets forth certain elements which require Authority to exercise its *reasonable* approval in connection with the same).

Following Stabilization, provided that the portion of the ground leased premises to be transferred will be managed by a professional manager with at least ten (10) years of experience managing such asset type, the Ground Lease is generally subject assignment or transfer by Tenant after meeting certain standard requirements (i.e. delivery to Authority of an executed assumption of the Ground Lease or beneficial interest (as applicable)).

For purposes of the Ground Lease, ‘Stabilization’ means that: (a) at least fifty (50%) of the gross square footage of retail space on Phase 1 is leased and occupied; (b) a Certificate of Occupancy has been obtained for the Building for which Stabilization is being determined; and (c) implementation of key components of the placemaking and amenity plan (as further outlined in the Ground Lease).

Subleases/Space Leases

Subject to nominal requirements, Tenant is generally able to freely sublet the ground leased premises. Authority is further required to provide a non-disturbance and attornment agreement on a commercially reasonable form in connection with any such subleases.

Leasehold Mortgages

Subject to certain standard conditions as further set forth in the Ground Lease, Tenant is generally permitted to mortgage or pledge its interest in the Ground Lease, provided that until Final Completion has occurred, all proceeds from any loan secured by Tenant’s interest in the Ground Lease are to be used by Tenant only in connection with the costs of pre-development, development, construction, carry, and operations of West Falls. The Ground Lease further contains typical protections for leasehold mortgagees, including, without limitation, opportunity to cure Tenant defaults and the ability to enter into a new lease with Authority following foreclosure.

Casualty

Generally, following destruction or damage of all or any part of the ground leased premises, Tenant may elect, within one hundred eighty (180) days of the casualty, to restore such premises, or terminate the Ground Lease; provided however, that Tenant’s right to terminate is conditioned on, among other things, payment in full of the Base Rent. Notwithstanding the foregoing, in the event that (i) the Initial Construction Work (as defined in the Ground Lease) has not been Substantially Completed at the time of the casualty, Tenant is required to commence restoration of the ground leased premises within one hundred eighty (180) days after the casualty (subject to force majeure). Unless such casualty is due to the gross negligence or willful misconduct of Authority or its employees, rent under the Ground Lease is not abated following any casualty.

Condemnation

If all or substantially all of the ground leased premises, the Ground Lease shall terminate as of the date of such taking (or as applicable, if the taking involves a single building, the Ground Lease will terminate as to such building, and the rent will be equitably adjusted to reflect such reduction to the ground leased premises). If less than all or substantially all of the ground leased premises is taken, the Ground Lease shall not terminate, and Tenant shall be required to restore the ground leased premises (and any award from such taking shall be made available to Tenant for such restoration). Other than as noted in the immediately preceding sentence for restoration, any condemnation award (to the extent separate awards are not made to the fee and leasehold) are to be equitably allocated between Authority and Tenant.

Events of Default

Each of the following constitutes an Event of Default under the Ground Lease: (i) Tenant failure to pay any item of rent and such failure shall continue for thirty (30) days after notice from Authority to Tenant; (ii) Tenant fails to observe or perform one or more of the other non-monetary terms, conditions, covenants or agreements contained in the Ground Lease, and such failure shall continue for a period of thirty (30) days after notice thereof by Authority to Tenant (or if the same can’t be cured within 30 days, as long as required, so long as Tenant commences curing the same within such thirty (30) day period and diligently and continuously prosecutes the same to completion) (a “Non-Monetary Default”); (iii) Tenant fails to either (x) within one hundred twenty (120) days after a casualty, diligently prosecute all work necessary to protect and secure the occupants of the ground leased premises and the public from and against injury to persons and property and to demolish any improvements destroyed as the result of a casualty and clear the debris on the ground leased premises or (y) commence or continue with the construction, reconstruction, development, redevelopment related to restoration after a casualty or to maintain or operate the ground leased premises for a period of five (5) years; (iv) Tenant improperly transfers or assigns the Ground Lease, and such transaction is

not made to comply or voided ab initio within thirty (30) days after notice thereof from Authority to Tenant; (v) foreclosure by a mortgagee (that is not vacated or removed within thirty (30) days); (vi) Tenant fails to restore the ground leased premises following a casualty in accordance with (and as required by) the terms of the Ground Lease; and (vii) Tenant files or is subject to bankruptcy proceedings (provided, with respect to an involuntary filing, Tenant shall have 90 days to remove the same) (a “Bankruptcy Default”).

Generally, for all Events of Default other than Non-Monetary Events of Default, Authority is entitled to terminate the Ground Lease upon twenty (20) days’ notice (provided Tenant does not subsequently cure during such 20-day period), and thereafter, Authority may re-enter the ground leased premises.

Following a Bankruptcy Default, Authority may re-enter and repossess the ground leased premises, and undertake any leasing and property management duties, responsibilities or obligations that Authority deems necessary or desirable for the ground leased premises, provided such actions are commercially reasonable and consistent with the management of comparable properties in Northern Virginia. Further, in the event a Bankruptcy Default which results in a liquidation of Tenant’s assets under Chapter 7 of the Bankruptcy Code, Authority, to the extent permitted by law or by leave of the court having jurisdiction over such proceeding, shall have the right, at its election, to terminate the Lease on ten (10) days’ notice to Tenant. Authority is additionally entitled to prove and obtain as liquidated damages in any bankruptcy, insolvency, receivership, reorganization or dissolution proceeding an amount equal to the maximum allowed by statute or rule of law governing such proceeding and in effect at the time when such damages are to be proved.

Following a termination of the Ground Lease as described above, (a) Tenant is required to pay all rent through the date of termination, (b) Authority may complete any construction work required to be completed under the Ground Lease and relet the ground leased premises (and any rent therefrom will be first applied to the cost of completing construction and reletting, and thereafter to amounts owed by Tenant), and (c) Tenant shall be responsible, on an ongoing basis, for any deficiency between the rent to be paid in the Ground Lease, and the net amount of rent collected by Authority following termination (or, in lieu thereof, Authority may accelerate/liquidate the deficiency payments, discounted at the Prime Rate, plus 6%, and utilizing the current “fair and reasonable” rent for the ground leased premises for purposes of calculating the deficiency over the remaining term).

Right of First Offer

Subject to the specific terms of the Ground Lease, Tenant is granted a right of first offer (the “ROFO”) with respect to any proposed sale of Authority’s interest in the ground leased premises or any portion thereof (such interest subject to sale being the “ROFO Premises”). Following written notice from Authority that Authority has elected to market or desires to sell the ROFO Premises or Authority’s interest therein, Tenant may submit its desired price to purchase the ROFO Premises (the “ROFO Price”), together with the other terms and conditions of such listing, which terms and conditions shall reflect Tenant’s good faith determination of market conditions and the market value of the ROFO Premises (the “ROFO Tenant Notice”). If the parties agree on the ROFO Price and other business terms reflected in ROFO Tenant notice, then the ROFO Price and other terms so agreed upon shall be deemed to be a part of the terms upon which Tenant shall have the right to exercise its ROFO and Authority and Tenant shall negotiate in good faith the remaining terms and conditions of any purchase of the ROFO Premises for a period of thirty (30) days which other terms and conditions shall be consistent with customary purchase and sale agreements for commercial property in the Northern Virginia area and proceed to closing of the sale.

If the parties are unable to agree on the terms and conditions of the sale of the ROFO Premises (the “ROFO Terms”) within the thirty (30) day period following Authority’s receipt of ROFO Tenant Notice, then Authority shall have the right to sell the ROFO Premises to a third-party, provided that the price of such sale (including any agreed-upon credits, adjustments, or prorations) shall exceed the ROFO Price and contain all or equivalent ROFO Terms (or the higher purchase price can be justified by relative changes to the ROFO Terms).

Severance Leases

Subject to the specific terms of the Ground Lease regarding assignments/transfers of the Ground Lease, at Tenant’s request (and at Tenant’s sole cost and expense), Tenant is entitled to sever the Ground Lease into (x) one or more leases demising separately the portion of the ground leased premises (i) on which a building is to be constructed

or (ii) on which a building has already been constructed (each being a “Parcel Lease”), and (y) an amendment to the primary Ground Lease for the balance of the ground leased premises. The Parcel Lease shall be on all of the terms and conditions of the Ground Lease, *mutatis mutandis*, and shall also include/satisfy certain other requirements as further set forth in the Ground Lease.

Memorandum of Ground Lease

A Memorandum of the Ground Lease is required to be recorded within 5 business days of the Effective Date and Tenant is responsible for payment of any tax associated therewith.

THE AUTHORITY

Generally

The Authority was created pursuant to the Act by an ordinance adopted by the City Council on August 9, 2021, as a community development authority to promote and further the purposes of the Act. The creation of the Authority was a result of the petition filed with the City by the owners of more than 51% of the land area that constitutes the District. The Act provides that the Authority may issue bonds to finance infrastructure improvements located within or benefiting the District, and the Council, at the request of the Authority, may levy and collect special assessments and special ad valorem taxes within the District and appropriate such sums to the Authority for use in paying the administrative expenses and debt service in connection with any such bonds.

Pursuant to the Act, on April __, 2022, the City Council (i) adopted an ordinance authorizing the levy of the Special Assessments, and, if applicable, the Special Taxes, on taxable real property within the boundaries of the District and (ii) adopted a resolution approving the Rate and Method and other matters and authorizing the Authority to issue the Series 2022A Bonds. On April __, 2022, the Authority adopted a bond resolution, authorizing the issuance of the Series 2022A Bonds. Prior to the delivery of the Series 2022A Bonds, the Authority will cause the Special Assessment Agreement (including the Rate and Method) to be recorded in the land records of the Circuit Court of Arlington County, Virginia.

Authority Board of Directors

The Authority is governed by a board of five directors appointed by the City Council. The City Council also appoints successor directors of the Authority. Each member of the initial Board of Directors serves four year terms and may be reappointed. The current directors of the Authority are as follows:

| <u>Director</u> | <u>Occupation</u> | <u>Initial Term Expires</u> |
|---------------------------------|--|-----------------------------|
| Honorable Debora Shantz-Hiscott | Member, City of Falls Church City Council | August 10, 2025 |
| Honorable David Snyder | Member, City of Falls Church City Council | August 10, 2025 |
| Robert Young | Chair, City of Falls Church Economic Development Authority | August 10, 2025 |
| Wyatt Shields | City of Falls Church City Manager | August 10, 2025 |
| Michael Trauberman | _____ | August 10, 2025 |

District Administration

The Authority has engaged MuniCap, Inc., a Maryland corporation (the “Administrator”), to perform certain duties and responsibilities with respect to the operations of the District. Such services will include calculation of the annual Special Assessments and Special Taxes, if any, to be levied, calculation of Prepayment amounts, delinquency management, review and reconciliation of account statements provided by the Trustee, calculation of rebate amounts payable under Code Section 148, preparation of an annual report for submission to the Authority and landowners, and service as liaison with landowners regarding the amount of the Special Assessments. See Appendix C-1 – “**PROPOSED FORM OF THE INDENTURE**” for a further description of the rights and obligations of the Administrator.

The Administrator is a public finance consulting firm with a specialized practice providing services related to the formation and administration of special tax and assessment districts. The administrative services provided to the Authority by the Administrator include preparation of special assessment methodologies, calculation of the annual special assessment levy, continuing disclosure, taxpayer relations, and other financial services related to the operation of a community development authority. The Administrator has its principal office in Columbia, Maryland, and provides district administration services to 185 districts in twenty-three states, including twenty-two community development authorities throughout Virginia.

SPECIAL ASSESSMENT REVENUES; DETERMINATION OF RATE AND METHODOLOGY; COLLECTION PROCEDURES

General

Special Assessment Revenues are derived from Special Assessments levied and collected on all taxable real property within the District subject to the Special Assessments, subject to appropriation by the City Council. Special Assessment Revenues also include the proceeds, if any, from any foreclosure actions brought following a delinquency in the payment of the Special Assessment by any landowner.

Pursuant to the Memorandum of Understanding, the City has agreed to assign and pledge all of the Special Assessments (except amounts that may be retained by the City to pay certain Administrative Expenses) collected by it to the Authority and has agreed to remit the Special Assessments it collects to the Trustee, subject to and dependent on appropriations being made from time to time of the Annual Installment by the City Council for such purpose.

In the Memorandum of Understanding, the parties have agreed that City's customary tax payment enforcement proceedings will apply to the collection of any delinquent payment of the Annual Installment. The City has agreed to pursue the collection of delinquent payments with the same diligence it employs in the collection of its general *ad valorem* real property taxes. See the section below "**Delinquencies; Enforcement; Foreclosure**" for a description of the foreclosure process. The City has also agreed that it will provide notice to the Authority of any legal proceedings to be instituted for the collection of delinquent payments of the Annual Installment. The Memorandum of Understanding provides that the City may exercise its ordinary discretion with respect to collection actions and may decide not to expend resources to collect *de minimis* outstanding amounts. The Authority has agreed to cooperate with the City in any such enforcement action. See the section "**Delinquencies; Enforcement; Foreclosure**" below. *The City is not required, nor is the City permitted under the Act, to advance any of its own funds or any other moneys of the City in the event of a delinquency in the payment of Special Assessments.*

The amount of Special Assessments that the City Council may levy against each parcel on behalf of the Authority in the District is limited by the Act and may not exceed the full cost of the improvements, including legal, financial and other costs directly attributable to creating the Authority, and the planning, designing, operating and financing of the improvements, and administration and collection of assessments and reserve funds. The Rate and Method (attached hereto as Appendix A) provides that the aggregate amount of the annual installment of the Special Assessments to be collected each fiscal year shall equal the Annual Revenue Requirement as defined therein. Pursuant to the Act, the Rate and Method may not be modified in a manner inconsistent with the payment provisions of the Indenture, the Series 2022A Bonds and the security therefor. The Rate and Method apportions the total amount of Special Assessments to be collected among the taxable parcels in the District as more particularly described therein. See the section "**Rate and Method**" below and in Appendix A.

The Special Assessments will be made a lien on parcels subject to taxation within the District which, in the event of a failure to pay the tax obligation on any such parcel, including the Special Assessment or City real estate tax relating to such parcel, could lead to a tax sale of such parcel. There is no assurance that the Developer or any subsequent landowners will be able to pay the annual Special Assessments or that they will pay such tax even if financially able to do so. See the section "**Collection Procedures**" below.

Special Tax

In the event that all or a portion of the Special Assessments are determined to be legally unenforceable in a final decree by a court of competent jurisdiction or the Authority determines that the permitted amount of the levy of the Special Assessment will be insufficient in any year to pay debt service on the Series 2022A Bonds and the Administrative Expenses related thereto, the Memorandum of Understanding provides that the City may levy a Special Tax on property in the District. The Special Tax will be an *ad valorem* tax on real estate in the District in an amount determined by the City to be necessary to meet the Annual Revenue Requirement. The Act establishes a maximum *ad valorem* special tax rate that may be levied within the District of \$0.25 per \$100 of assessed fair market value of taxable real estate unless all of the owners of real property in the District consent to a higher rate. The City and the Property Owners, as the sole holders of taxable real property within the District, have consented to the provisions of the Memorandum of Understanding authorizing a higher rate of special *ad valorem* tax. The levy and collection of the Special Tax are at the discretion of the City Council and payment of any Special Tax collected to the Authority, or the Trustee on the Authority's behalf, is subject to appropriation by the City Council. To the extent Special Assessments were prepaid prior to the levy of the Special Tax and land was released from the Special Assessment lien, the Special Tax will be levied only on real estate with outstanding Special Assessments.

Rate and Method

The following discussion of the Rate and Method is qualified in its entirety by the full text of the Rate and Method set forth in Appendix A. Capitalized terms used but not defined in this section have the meanings given to such terms in the Rate and Method.

The Special Assessments have been imposed upon each parcel of property within the District other than property owned by or irrevocably offered for dedication to the federal government, the Commonwealth of Virginia, the City, the Authority, or any other public agency, political subdivisions or public entity in accordance with and as described in the Rate and Method attached hereto as Appendix A. The total amount of the Special Assessments equals the sum of the principal and interest due on the Series 2022A Bonds and estimated Administrative Expenses of the Authority, less other amounts available for the payment of such debt service and expenses.

Real property within the District has been classified into eight different classes, as described below and in the Rate and Method attached as Appendix A, in order to determine the amount of Special Assessments to be allocated to each parcel. Special Assessments are initially allocated to parcels on the basis of the permitted Equivalent Unit Factors of each parcel. The computation of Equivalent Unit Factors for each parcel is governed by the Rate and Method and is based on the estimated value of the property within the District as developed and fully able to utilize the improvements. Future estimated value reflects the increase in property value that will result from the improvements, and it is assumed that property with higher value will benefit more from the improvements, as reflected by the higher value, and property with lower value will benefit less from the improvements, as reflected by the lower value. The amount of Special Assessment allocated to a parcel is determined by the number of Equivalent Units for such parcel and the Equivalent Unit Factors for the applicable Land Use Class. The following shows Land Use Classes, Equivalent Units and Equivalent Unit Factors for each Land Class based upon the approved development plan.

| Total Equivalent Units | | | | |
|------------------------|---------------|---------------------------------|------------------------------------|-----------------------------------|
| <u>Land Use Class</u> | <u>Metric</u> | <u>Approved Development</u> | <u>Equivalent Unit Factors</u> | <u>Total Equivalent Units</u> |
| Land Use Class 1 | Per 1,000 BSF | 174 | 1.71 | 297 |
| Land Use Class 2 | Per Unit | 400 | 1.00 | 400 |
| Land Use Class 3 | Per Unit | 212 | 2.00 | 424 |
| Land Use Class 4 | Per 1,000 BSF | 50 | 1.84 | 92 |
| Land Use Class 5 | Per 1,000 BSF | 25 | 1.79 | 44 |
| Land Use Class 6 | Per 1,000 BSF | 41 | 0.93 | 38 |
| Land Use Class 7 | Per 1,000 BSF | 125 | 1.57 | 196 |
| Land Use Class 8 | Per Room | 146 | 0.34 | <u>50</u> |
| Total | | | | 1,541 |

⁽¹⁾ May not sum due to rounding.

The Special Assessments are payable each year as the Annual Installments. The Annual Installments will be allocated to each parcel and represent principal and interest on the Series 2022A Bonds due each year and estimated Administrative Expenses for that year. The Annual Payment for a parcel will be an amount equal to the lesser of the Annual Installment and a portion of the Annual Revenue Requirement allocated to the parcel. The Annual Revenue Requirement is generally equal to principal and interest due on the Series 2022A Bonds for such year, plus Administrative Expenses estimated for the year, less amounts available from the Capitalized Interest Account and excess funds in the Debt Service Reserve Fund. The Annual Revenue Requirement is allocated to each parcel by multiplying the Annual Installment Rate by the Principal Portion of the Special Assessment for the parcel.

The Special Assessment Roll, which is attached to the Rate and Method, specifies the Annual Installment that may be collected from all parcels in the District each year. The Special Assessment Roll also specifies the Special Assessment and the Principal Portion of the Special Assessment for each parcel. The Special Assessments and the Principal Portion of the Special Assessments will be reallocated to new parcels as parcels are subdivided. The Special Assessments and Principal Portion of the Special Assessments of a parcel are allocated to each new parcel created from that parcel on the basis of the Equivalent Units of each new parcel. An owner may request a reallocation of the Special Assessments and the Principal Portion of the Special Assessments to any parcels owned by that owner to reflect revised estimates of Equivalent Units for the parcels.

The Special Assessment may be prepaid for a parcel and, as a result, the Annual Installment will no longer be collected from such parcel. The prepayment of the Special Assessment is generally equal to: (i) the Principal Portion of the Special Assessment, (ii) a credit for any reduction in the Debt Service Reserve Fund resulting from such prepayment, (iii) adjustments for interest through the call date of the Series 2022A Bonds to be called and interest to be earned on the prepaid Special Assessment, and (iv) Administrative Expenses related to the prepayment.

Special Assessments are subject to a Mandatory Prepayment of all or part of the Special Assessment for any parcel if the parcel is acquired by an entity that results in the parcel being classified as Non-Benefited Property (as defined in the Rate and Method) if the Special Assessment may not be reapportioned to a parcel not classified as Non-Benefited Property.

Collection Procedures

Not later February 15 of each year, the Authority will prepare an annual report of the Authority's finances and submit such report to the City, and the Authority will request the City levy an Annual Installment of the Special Assessment in an amount sufficient to pay the entire Assessment Amount for such year, pursuant to the Memorandum of Understanding, to provide for payment of the debt service on the Series 2022A Bonds and Administrative Expenses. The Administrator shall ascertain the relevant parcels on which the Special Assessments are to be levied, taking into account any parcel splits during the preceding and then current Fiscal Year and determine the amount of Special Assessments payable for each parcel within the District. For each calendar year, the Authority will request the City to collect the Annual Installments.

The Special Assessments are payable in the same manner and at the same time as *ad valorem* real property taxes are payable. Annual Installments are billed semi-annually and are due on June 5 and December 5 of each year, or such other date or dates as the City may determine for the collection of its regular real estate taxes. Any unpaid Special Assessment becomes delinquent at the same time and bears the same penalties and interest after delinquency as do the *ad valorem* real property taxes in the City. Special Assessments will have the same lien priority in the case of delinquency as the City real property taxes have against other types of liens (provided, however, the Code of Virginia does not require or specifically authorize any particular priority for the application of sale or foreclosure proceeds between the City real property taxes and special assessments that have been or may in the future be imposed by the City on the same real estate parcel). The Authority has pledged and assigned its rights to receive the payments of the Special Assessments to the Trustee in accordance with the Memorandum of Understanding.

The following is a summary of the assessment and taxation timeline for the City as it applies to the Series 2022A Bonds.

Assessment and Taxation Timeline

| <u>Process</u> | <u>Date</u> |
|--|------------------------------------|
| City adds first installment of Special Assessment and Special Tax (if levied) to ad valorem tax bills | September |
| City mails first installment of ad valorem tax, Special Assessment and Special Tax (if levied) bills | November 1 |
| Deadline to pay first installment of ad valorem taxes, Special Assessments and Special Taxes (as applicable) | December 5 |
| Transfer of Special Assessment Revenues and Special Tax Revenues (if any) to Trustee by City | February 1 of following year |
| Series 2022A Bonds Interest Payment Date | March 1 |
| City adds second installment of Special Assessment and Special Tax (if levied) to ad valorem tax bills | March |
| City mails second installment of ad valorem tax, Special Assessment and Special Tax (if levied) bills | May 1 |
| Deadline to pay second installment of ad valorem taxes, Special Assessments and Special Taxes (as applicable) | June 5 |
| Transfer of Special Assessment Revenues and Special Tax Revenues (if any) to Trustee by City | August 1 |
| Series 2022A Bonds Principal and Interest Payment Date | September 1 |
| City sends first past due notice of ad valorem tax, Special Assessment and Special Tax | Late December |
| City sends second past due notice of ad valorem tax, Special Assessment and Special Tax | January 15 of following year |
| Delinquent ad valorem tax, Special Assessment and Special Tax (as applicable) collection proceedings occur (pursuant to § 58.1-3965.2 of the Code of Virginia) | After 3 years of delinquent status |

Delinquencies; Enforcement; Foreclosure

Any delinquency by a landowner in paying any portion of the *ad valorem* real property tax, Special Assessments or Special Taxes, if levied, when due could result in foreclosure action being taken by the City. Pursuant to Code of Virginia Section 58.1-3965.2, in the event any installment of Special Assessments or Special Taxes, if levied, with respect to commercial property (other than owner occupied residences) is delinquent on the first anniversary of the date on which such Special Assessments shall have become due, the City is authorized pursuant to Article 4, Section 58.1-3965 *et seq.* of the Code of Virginia to order institution of an action in the Circuit Court of Arlington County to foreclose on any lien therefor. In the event any Special Assessment or Special Tax, if levied, on owner occupied residential property or payment of City *ad valorem* real estate taxes is delinquent on December 31 following the second anniversary date of the date on which such residential Special Assessments or City *ad valorem* taxes shall have become due, the City is authorized pursuant to Article 4, Section 58.1-3965 *et seq.* of the Code of Virginia to order institution of an action in the Circuit Court of Arlington County to foreclose on any lien therefor. In a foreclosure action, the real property subject to the Special Assessments, Special Taxes and City *ad valorem* taxes may be sold at a judicial foreclosure sale. The owner of the real property may redeem the real property at any time before the date of the foreclosure sale by paying all accumulated taxes then due and owing on the real property, penalties and other costs (including, but not limited to Special Assessments and Special Taxes). In addition, the City may, in its discretion, suspend any action for foreclosure sale of the real property upon entering into an installment agreement with the owner of the real property for repayment of all delinquent amounts over a reasonable time not to exceed twenty-four months. The ability of the City to foreclose on the lien of delinquent unpaid Special Assessments or Special Taxes, if levied, may be otherwise limited in certain instances and may require prior consent of the property owner in the event that the property is owned by any receivership of the Federal Deposit Insurance Corporation (the "FDIC"). See the sections **"CERTAIN BONDHOLDERS' RISKS – Bankruptcy"** and **"CERTAIN BONDHOLDERS' RISKS – Special Assessment Delinquencies."** Similarly, the initiation of foreclosure

proceedings may be delayed or such proceedings may be subject to procedural and other delays caused by crowded court dockets and other factors beyond the control of the Authority or the City. See the section **“CERTAIN BONDHOLDERS’ RISKS – Potential Delay and Limitations in Foreclosure Proceedings.”**

The City is not required to pursue judicial foreclosure proceedings as described above, and the Authority cannot compel the City to take a particular remedy. The City has agreed, however, for the benefit of the Series 2022A Bondholders in the Memorandum of Understanding to pursue the collection of delinquent Special Assessments or Special Taxes, if levied, with the same diligence it employs in the collection of the City’s general *ad valorem* taxes including the commencement of foreclosure proceedings to the extent provided by the Code of Virginia. The City will deliver to the Authority, subject to appropriation by the City Council, all Special Assessments and Special Taxes collected at a tax sale or collected by the City in connection with the redemption of the real property by the owner.

No assurances can be given that the real property subject to sale or foreclosure will be sold or, if sold, that the proceeds of sale will be sufficient to pay any delinquent Special Assessment or Special Tax, if levied, installment. The Code of Virginia does not require or specifically authorize any particular priority for the application of sale or foreclosure proceeds between the City real estate taxes and Special Assessments or Special Taxes, if levied, that have been or may in the future be imposed by the City on the same real property. Neither the Act nor the provisions of the Code of Virginia governing the sale of delinquent tax lands requires the City to purchase or otherwise acquire any lot or parcel of property offered for sale or subject to foreclosure if there is no other purchaser at such sale.

If the Debt Service Reserve Fund and other pledged Funds and Accounts are depleted and delinquencies in the payment of Special Assessments and Special Taxes exist, there may be a default or delay in payments to the Series 2022A Bondholders pending prosecution of foreclosure proceedings and receipt by the City of foreclosure sale proceeds, if any. There is no assurance that the Special Assessments and Special Taxes will be at all times sufficient, together with other Pledged Revenues, to pay the amounts required to be paid on the Series 2022A Bonds by the Indenture.

APPRAISAL AND MARKET STUDY

The Appraisal and Market Study, dated [_____, 2022, has been prepared by Joseph J. Blake & Associates, Inc. (the “Appraiser”), and is included as Appendix B attached hereto. Based on the analyses and conclusions in the Appraisal and Market Study, and subject to the assumptions and limiting conditions expressed therein, the Appraisal and Market Study estimates that: the “as-is” market value of the fee simple estate of the real property within the District, assuming the proposed development plan described herein, as of [_____, 2022, is \$[_____].

THE AUTHORITY, THE DEVELOPER AND THE UNDERWRITER MAKE NO REPRESENTATIONS AS TO THE ACCURACY OF THE APPRAISAL AND MARKET STUDY. PROSPECTIVE INVESTORS SHOULD READ THE APPRAISAL AND MARKET STUDY IN ITS ENTIRETY, INCLUDING THE LIMITATIONS AND QUALIFICATIONS CONTAINED THEREIN, PRIOR TO MAKING A DECISION TO PURCHASE THE SERIES 2022A BONDS.

The Appraiser has made a variety of contingencies and assumptions, which are set forth in the Appraisal and Market Study, in order to appraise the property within the District. There can be no assurance that any such assumptions will be realized, and the Authority, the Developer and the Underwriter make no representation as to the reasonableness of such assumptions.

The Appraiser routinely appraises many forms of real estate including major office buildings, large and small shopping centers, apartment complexes, department stores, residential subdivisions, hotels, elderly housing and industrial facilities. The Appraiser specializes in land appraisals, both raw and site-improved and conducts feasibility studies and land lease renewal analyses. A more detailed profile of the Appraiser is set forth in the Appraisal and Market Study.

VALUE-TO-BONDS RATIOS

Value-To-Lien Table

| | A-1 | B-1 | B-2 | C-1 | D-1 | Kiock | Total |
|-----------------|---------------|--------------|--------------|---------------|---------------|-------------|---------------|
| Value | \$207,848,259 | \$77,995,245 | \$49,860,340 | \$120,133,636 | \$163,160,569 | \$1,959,710 | \$620,957,759 |
| Assessment lien | \$4,352,380 | \$1,813,390 | \$627,513 | \$2,332,624 | \$3,826,387 | \$47,707 | \$13,000,000 |
| Value-to-lien | 47.76 | 43.01 | 79.46 | 51.50 | 42.64 | 41.08 | 47.77 |

CERTAIN BONDHOLDERS' RISKS

Investment in the Series 2022A Bonds involves a high degree of risk and, therefore, the Series 2022A Bonds will be sold only to “Qualified Institutional Buyers” within the meaning of Rule 144A of the Securities Act. A prospective purchaser is advised to read this entire Limited Offering Memorandum, including the appendices hereto and, if deemed appropriate, consult its investment advisor. The factors listed below, among others, could adversely affect the operations, revenues and expenses of the Authority, the District, the Developer and the owner or owners of real estate in the District, and thus the availability of revenues to the Authority sufficient for the Authority to make the required payments under the Indenture and to redeem the Series 2022A Bonds, to an extent that cannot be determined at this time.

The paragraphs below discuss certain risks assumed by the Series 2022A Bondholders, but neither such paragraphs, nor this Limited Offering Memorandum generally, purports to provide a complete description of all risks and factors to be considered by an investor in making the decision to purchase the Series 2022A Bonds.

Limited Obligations

Except to the extent that the Series 2022A Bonds are payable from the proceeds thereof or investment income or, under certain circumstances, proceeds of insurance, sale or condemnation awards, the Series 2022A Bonds are secured pursuant to the Indenture solely by a pledge and assignment to the Trustee of the Pledged Revenues (consisting of Special Assessment Revenues after the payment of Administrative Expenses and Special Tax Revenues, if levied and collected) and by certain funds and money held by the Trustee, including the Debt Service Reserve Fund. Amounts held in the Net Proceeds account, the Rebate Fund and the Administrative Fund established under the Indenture are not pledged as security for the Series 2022A Bonds. There are no other anticipated revenues available to pay the principal of and interest on the Series 2022A Bonds. The payment of Special Assessment Revenues and the Special Tax Revenues (as applicable) to the Authority is subject to annual appropriation by the City Council. See **“SECURITY FOR THE SERIES 2022A BONDS – LIMITED OBLIGATIONS.”**

Lack of Rating; Lack of Marketability of the Series 2022A Bonds

No application has been made for a credit rating for the Series 2022A Bonds. The absence of a rating affects the market for the Series 2022A Bonds. There can be no assurance that there will be a secondary market for the Series 2022A Bonds or, if a secondary market exists, that the Series 2022A Bonds can be sold for any particular price. Accordingly, a purchaser of the Series 2022A Bonds should be prepared to have the purchaser’s funds committed for an indefinite period of time, perhaps until the Series 2022A Bonds mature or are called for redemption. [At the request of the owners of at least 10% of the outstanding principal amount of the Series 2022A Bonds, the Authority will seek to obtain a rating on the Series 2022A Bonds on the conditions and subject to the limitations set forth in the Indenture.]

Concentration of Ownership

All of the taxable real property within the District is currently owned by or under lease by the Property Owners, [except for [parcel 14]]. Although this concentration of current ownership interests represents a significant risk to the Series 2022A Bondholders, there are certain parcels of land that are under contract for purchase as described herein under **“THE DEVELOPMENT.”** The timely payment of the Series 2022A Bonds depends on the willingness and ability of the Developer or any subsequent landowners to pay real estate taxes and the Special Assessments and Special Taxes, if levied, when due. Failure of the Developer or any subsequent landowners to pay real estate taxes or

the annual Special Assessments and Special Taxes, if levied, when due could result in the initiation of a foreclosure proceeding on the properties. Any delay or limitation in the foreclosure proceeding could result in the rapid depletion of the Debt Service Reserve Fund and a default in payment of the principal of and interest on the Series 2022A Bonds.

Failure To Complete or Fully Develop the Development

The failure to complete the Development, including the CDA Facilities, or substantial delays in such completion due to factors such as litigation affecting the Developer or its related entities, the inability of the Developer to obtain funding from private sources, or the bankruptcy of the Developer or of its related entities, may reduce the value of the property within the District and may affect the willingness and ability of the Property Owners to pay real estate taxes or the Special Assessments or Special Taxes, if levied, when due. Such failure or delay may result in a default in payment of the principal of and interest on the Series 2022A Bonds.

Development of the Development is also subject to economic considerations. Failure to lease or sell property owned by the Developer as expected, defaults under the terms of any purchase agreement or lease agreement and other factors could reduce the ability of the Property Owners or any subsequent landowner to pay real estate taxes or the Special Assessments or Special Taxes, if levied.

Construction Risks

Construction activities are subject to the usual risks associated with such projects, including, but not limited to, delays in the issuance of required permits or other necessary approvals, strikes, shortages of materials, adverse subsurface conditions and adverse weather conditions.

[INCLUSION OF FORCE MAJEURE; INFLATION; SUPPLY CHAIN TO BE DISCUSSED]

COVID-19

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, has been declared a pandemic by the World Health Organization. The COVID-19 pandemic has had and continues to have a negative impact on most, if not all, areas of the world, including the United States. Within the United States, the federal government and various state and local governments, as well as private entities and institutions, have implemented a variety of efforts aimed at preventing the spread of COVID-19, including, but not limited to, travel restrictions, voluntary and mandatory quarantines, event postponements and cancellations, voluntary and mandatory work from home arrangements and facility closures. Although many of these measures have been lifted by federal, state and local authorities, the impact of these measures, as well as general concerns related to the global and national public health emergency and other factors, has resulted in significant volatility in the stock markets and a general consensus that the global and national economies are distressed. The continued spread of COVID-19 and its continued impact on social interaction, travel, economies and financial markets may have a material adverse effect on the financial profile and operations of the Developer and its ability to complete the Development. Such adverse effects on the finances and operations of the Developer may include (a) an impact on the ability of the Developer to conduct its operations, including the timely completion of the Development as described herein, (b) conditions which may adversely affect the Developer's investments, including its investment in the Development, and (c) an impact on the secondary market for and value of the Series 2022A Bonds.

Amendment of Project Documents

Construction of the CDA Facilities and the payment of the Series 2022A Bonds is dependent upon the performance under a number of development, construction and other contracts, some of which are described in this Limited Offering Memorandum. The amendment of these contracts does not require the consent of the Trustee and, therefore, amendments may be made that could adversely affect the timely completion of the CDA Facilities or the generation of funds sufficient to pay debt service on the Series 2022A Bonds.

Competition and Market

In general, the regional retail, commercial and office markets are highly competitive and are affected by competitive changes in geographic area, changes in the public's spending habits, population trends, availability of qualified employees, traffic patterns, economic conditions and business climate. Additional competitive factors include location and attractiveness of facilities, proximity to similar businesses, supporting services and clients of occupants. The ability of the Development to compete in this competitive market is dependent upon the foregoing and a variety of other factors about which no assurance can be given. For a more detailed discussion of such factors and a description of existing or planned retail/commercial developments that might compete with the Development, see the Appraisal and Market Study in Appendix B.

Appraised Value

Prospective purchasers of the Series 2022A Bonds should not assume that the land within the District could be sold for its appraised value or, at a foreclosure sale, for an amount sufficient to fund delinquent Special Assessments or Special Taxes, if levied. Furthermore, prospective purchasers should not assume that the land within the District will not decrease in value below its appraised value. See the section **"APPRAISAL AND MARKET STUDY."**

Special Assessment Delinquencies

The payment of debt service on the Series 2022A Bonds depends on the timely payment of Annual Installments of the Special Assessments within the District. Although Annual Installments of the Special Assessments will be due and payable and bear the same penalties and interest for non-payment, as do regular *ad valorem* real property tax installments, the unwillingness or inability of District landowners to pay any portion of the tax billings then due and owing on a parcel within the District could result in a foreclosure action being taken by the City. In such a situation, the City is authorized, but is not required, to institute a foreclosure proceeding against the property. The City has covenanted for the benefit of the Series 2022A Bondholders in the Memorandum of Understanding that it will pursue the collection of delinquent Special Assessments and Special Taxes, if levied, with the same diligence it employs in the collection of the City's general *ad valorem* real property taxes, but the Authority cannot compel the City to exercise a particular remedy on a particular schedule.

In the event that sales or foreclosures of property are necessary, and if the Debt Service Reserve Fund is depleted, there could be a delay in payments to the Series 2022A Bondholders pending such sales or the prosecution of foreclosure proceedings and receipt by the City of the proceeds of sale.

See the section **"SPECIAL ASSESSMENT REVENUES; DETERMINATION OF RATE AND METHODOLOGY; COLLECTION PROCEDURES – Delinquencies; Enforcement; Foreclosure,"** for a discussion of the provisions which apply, and procedures which the City is obligated to follow in the event of delinquencies in the payment of Special Assessments. See the subsections **"– Potential Delay and Limitations in Foreclosure Proceedings"** and **"– Bankruptcy"** below, for a discussion of limitations on the City's ability to foreclose on the lien of the Special Assessments in certain circumstances.

Insufficiency of Special Assessments

The amount of the Special Assessment and Special Taxes (as applicable) that may be levied against a particular parcel within the District is subject to the total amount of the Special Assessments provided in the Rate and Method approved by the City and by the Act. There is no assurance that the amount of the Special Assessments or Special Taxes, if levied, will at all times be sufficient to pay the amounts required to be paid by the Indenture. For example, delays in the collection of or foreclosure on Special Assessments could result in insufficient funds being available to pay timely debt service on the Series 2022A Bonds after depletion of the Debt Service Reserve Fund. The Act does not permit the levy of additional Special Assessments to replenish the Debt Service Reserve Fund in the event of delays in collection or foreclosure.

Except where a governmental body or other entity exempt from paying real estate taxes acquires a property, if a change in land use results in a reduction of the Equivalent Units, no prepayment of Special Assessments is required. A reduction in Equivalent Units does not reduce the Special Assessments. The Special Assessment per Equivalent Unit of the parcel for which there has been a reduction in Equivalent Units will increase, while the Special Assessment

obligation of the parcel will remain the same. Special Assessments may be reallocated among parcels to equalize the Special Assessment per Equivalent Unit only with the consent of all landowners of the parcels subject to the reallocation.

See the sections **“SPECIAL ASSESSMENT REVENUES; DETERMINATION OF RATE AND METHODOLOGY; COLLECTION PROCEDURES – Delinquencies; Enforcement; Foreclosure”** above and **“– Potential Delay and Limitations in Foreclosure Proceedings”** below.

Potential Delay and Limitations in Foreclosure Proceedings

In the event that (i) any Annual Installment of Special Assessments or Special Tax (if levied) on commercial property is delinquent on the first anniversary of the date on which Annual Installments of Special Assessments shall have become due or (ii) any Annual Installments of Special Assessments or Special Tax (if levied) on owner-occupied residential property are delinquent on [_____] following the second anniversary of the date on which such Annual Installment or Special Tax (as applicable) shall have become due, the City is authorized to institute a foreclosure proceeding against the property. There is no assurance, however, that the City will institute such a foreclosure proceeding at all or in a timely and vigorous manner. For example, the City could determine in its discretion to negotiate payments over time, which might further delay payment of the full amount of the accrued and unpaid Special Assessments and Special Taxes, if levied. In addition to delays in initiating any foreclosure proceeding, potential investors should be aware that judicial foreclosure proceedings are not summary remedies and can be subject to significant procedural and other delays caused by crowded court calendars and other factors beyond the control of the City. See the section **“SPECIAL ASSESSMENT REVENUES; DETERMINATION OF RATE AND METHODOLOGY; COLLECTION PROCEDURES – Delinquencies; Enforcement; Foreclosure.”**

Delays and uncertainties in the foreclosure process create significant risks for Series 2022A Bondholders. High rates of Special Assessments or Special Taxes (if levied) payment delinquencies that continue during the pendency of protracted foreclosure proceedings could result in the rapid, total depletion of the Debt Service Reserve Fund and other pledged Funds and Accounts. In that event, there could be a default in payment of the principal of and interest on the Series 2022A Bonds.

The payment of the Special Assessments and Special Taxes (if levied) and the ability of the City to foreclose on the lien resulting from a delinquent unpaid Special Assessment or Special Taxes (if levied) may also be limited by bankruptcy, insolvency or other laws generally affecting creditors' rights or by the laws of the Commonwealth relating to judicial foreclosure. See the section **“SPECIAL ASSESSMENT REVENUES; DETERMINATION OF RATE AND METHODOLOGY; COLLECTION PROCEDURES – Collection Procedures,”** and the subsection below entitled **“Bankruptcy.”** In addition, the prosecution of a foreclosure could be delayed for numerous unpredictable reasons, including crowded court calendars or lengthy procedural delays.

The ability of the City to foreclose the lien of a delinquent unpaid Special Assessment or Special Tax, if levied, also may be limited with regard to properties in which the Federal Deposit Insurance Corporation (the “FDIC”) may acquire an interest. The FDIC currently does not have an interest in the land within the District. However, if a lender takes a security interest in the subject property and becomes insolvent, such a lender could fall under the jurisdiction of the FDIC. The FDIC has adopted policies regarding the payment of state and local property taxes, including real estate taxes and assessments. While this federal instrumentality has acknowledged a policy of paying real estate taxes and assessments in certain circumstances, it has also indicated an intention to assert federal preemptive power to challenge any prior taxes, special taxes and assessments where its interests so dictate, including the requirement that local agencies obtain the consent of the FDIC prior to foreclosing on the lien of special taxes.

If the City is required to obtain the consent of the FDIC prior to foreclosing on property located in the District, such consent could be denied and the City might be unable or unwilling to pursue foreclosure proceedings. Additionally, obtaining FDIC or other federal or regulatory consent may delay the foreclosure proceedings. Any delay in foreclosure proceedings or the inability of the City to foreclose on properties in which the FDIC has an interest could result in a delay or default in payment of debt service on the Series 2022A Bonds.

No assurances can be given that the real property subject to sale or foreclosure will be sold or, if sold, that the proceeds of sale will be sufficient to pay any delinquent Special Assessments or Special Taxes, if levied. Neither

the Act nor the provisions of the Code of Virginia governing the sale of delinquent tax lands require the City to purchase or otherwise acquire any parcel of property offered for sale or subject to foreclosure if there is no other purchaser at such sale. Special Assessments and Special Taxes, if levied, will have the same lien priority in the case of delinquency as the City real property taxes have against other types of liens; provided, however, the Code of Virginia does not require or specifically authorize any particular priority for the application of sale or foreclosure proceeds between the City real property taxes and special assessments that have been or may in the future be imposed by the City on the same real estate parcel. If the Debt Service Reserve Fund is depleted and delinquencies in the payment of Special Assessments or Special Taxes, if levied, exist, there could be a default or delay in payments of debt service on the Series 2022A Bonds pending prosecution of foreclosure proceedings and receipt by the City of foreclosure sale proceeds, if any. There is no assurance that the Special Assessments and the Special Tax Revenues (as applicable) will at all times be sufficient to pay debt service on the Series 2022A Bonds.

Bankruptcy

Although a bankruptcy proceeding involving a property owner would not cause the Special Assessments or Special Taxes, if levied, to become extinguished, the amount and priority of any Special Assessment or Special Tax could be modified if the value of the property falls below the value of the lien. If the value of the property is less than the lien, such excess amount could be treated as an unsecured claim by the bankruptcy court. In addition, bankruptcy of any District property owner could result in a delay in prosecuting foreclosure proceedings. Such delay could increase the likelihood of a delay or default in the payment of debt service on the Series 2022A Bonds.

Exempt Properties

The Rate and Method provides that Special Assessments shall not be levied on public property. If for any reason a parcel of the property subject to Special Assessments becomes exempt from taxation by reason of transfer to or ownership by a non-taxable entity (such as the federal government, a public agency or other tax-exempt entity by classification or designation), subject to *ad valorem* taxes and Special Assessments being paid current at the time of the transfer, the Rate and Method does not permit Special Assessments to be reallocated to the remaining taxable parcels within the District. If the transfer occurs by reason of condemnation proceedings, the laws of the Commonwealth of Virginia require the application of condemnation proceeds, if any, to the payment of *ad valorem* taxes and special assessments related to such property. The amount received as a result of such proceeding may not be sufficient to pay the assessment lien upon such parcel. In the case of the public dedication, gift or transfer without consideration of a parcel, there may be no mechanism for collecting the assessment lien on such parcel once it becomes public property. The Rate and Method provides that when a parcel is subdivided into additional parcels, and a subdivided parcel becomes public property, the Special Assessment with respect to that parcel may be collected from the other subdivided parcels that remain taxable property. The Rate and Method also provides that prepayment of the assessment lien is required when a taxable parcel is acquired by an entity that results in such parcel being reclassified as public property and the Special Assessment with respect to such public property cannot be reallocated to other tax parcels as a result of subdivision.

If a substantial portion of land within the District became exempt from taxation and Special Assessments because of public ownership or otherwise, the amount of the Special Assessments that could be levied upon the remaining property might not be sufficient, together with the other Pledged Revenues, to pay principal of and interest on the Series 2022A Bonds when due.

No Acceleration Provision

The Indenture does not permit the acceleration of the Series 2022A Bonds in the event of a payment default or other default under the terms of the Series 2022A Bonds or the Indenture. The ultimate source of recovery in the event of a default of payment of Special Assessments or Special Taxes, if levied, is the tax sale foreclosure provision described under the section **“SPECIAL ASSESSMENT REVENUES; DETERMINATION OF RATE AND METHODOLOGY; COLLECTION PROCEDURES – Delinquencies; Enforcement; Foreclosure.”**

Loss of Tax Exemption

As discussed in the section **“TAX MATTERS,”** the interest on the Series 2022A Bonds could become includable in gross income for federal income tax purposes retroactively to the date of issuance of the Series 2022A Bonds as a result of a failure of the Authority, the City or the Developer to comply with certain provisions of the Code. Should such event of taxability occur, the Series 2022A Bonds are not subject to early redemption and will remain Outstanding bearing interest at their existing interest rates to maturity or until redeemed under the optional redemption, special redemption or mandatory sinking fund redemption provisions of the Indenture, which may adversely affect the value and marketability of the Series 2022A Bonds.

LIMITED OFFERING

The Series 2022A Bonds are being offered initially only to “Qualified Institutional Buyers” within the meaning of Rule 144A of the Securities Act. Each prospective purchaser of the Series 2022A Bonds is being furnished a copy of this Limited Offering Memorandum, including the Appendices attached hereto, together with any supplement to this Limited Offering Memorandum which may be prepared. The Series 2022A Bonds have risk characteristics that require careful evaluation before a decision to purchase is made.

UNDERWRITING

Piper Sandler & Co. (the “Underwriter”) has entered into a Bond Purchase Agreement with the Authority to purchase the Series 2022A Bonds. The Underwriter will purchase the Series 2022A Bonds at an aggregate purchase price of \$_____ (reflecting the par amount of the Series 2022A Bonds, plus/minus a net original issue premium/discount of \$_____ less an underwriting discount of \$_____). The obligation of the Underwriter to pay for the Series 2022A Bonds is subject to certain terms and conditions set forth in the Bond Purchase Agreement.

The Underwriter may offer and sell the Series 2022A Bonds to certain dealers (including dealer banks and dealers depositing the Series 2022A Bonds into investment trusts) and others at a price different from the public offering price stated on the cover page of this Limited Offering Memorandum. Such initial public offering price may be changed from time to time by the Underwriter.

The Underwriter has entered into a distribution agreement (the “Distribution Agreement”) with Charles Schwab & Co., Inc. (“CS&Co”) for the retail distribution of certain securities offerings including the Series 2022A Bonds, at the original issue prices. Pursuant to the Distribution Agreement, CS&Co will purchase the Series 2022A Bonds from the Underwriter at the original issue price less a negotiated portion of the selling concession applicable to any Series 2022A Bonds that CS&Co sells.

LEGAL MATTERS

Certain legal matters relating to the authorization and validity of the Series 2022A Bonds will be subject to the approving opinion of Norton Rose Fulbright US LLP, Washington, D.C., Bond Counsel, which will be furnished at the expense of the Authority upon delivery of the Series 2022A Bonds, in substantially the form of Appendix D (the “Bond Opinion”). The Bond Opinion will be limited to matters relating to the authorization and validity of the Series 2022A Bonds and to the tax-exempt status of interest on the Series 2022A Bonds as described in the section **“TAX MATTERS”** and will make no statement as to the financial resources of the Authority or its ability to provide for payment of the Series 2022A Bonds or as to the accuracy or completeness of this Limited Offering Memorandum or any other information that may have been relied on by anyone in making the decision to purchase the Series 2022A Bonds.

Certain legal matters will be passed on for the Authority by the Falls Church City Attorney, for the Underwriter by McGuireWoods LLP, for the Developer by Pillsbury Winthrop Shaw Pittman LLP and for DRI/TCC by Cooley LLP.

TAX MATTERS

Opinion of Bond Counsel

The Authority and the City have covenanted to comply with applicable provisions of the Internal Revenue Code of 1986, as amended (the “Code”), relating to the exclusion from gross income of the interest on the Series 2022A Bonds for purposes of federal income taxation. In the opinion of Norton Rose Fulbright US LLP, Bond Counsel, under current law and assuming continuing compliance by the Authority and the City with such covenants and requirements of the Code regarding, among other matters, the use, expenditure and investment of Series 2022A Bond proceeds and the timely payment of certain investment earnings to the United States Treasury, interest on the Series 2022A Bonds will not be included in the gross income of the owners thereof for federal income tax purposes. Failure by the Authority and the City to comply with such covenants and requirements may cause interest on the Series 2022A Bonds to be includable in the gross income of the owners thereof retroactive to the date of issue of the Series 2022A Bonds. No opinion is rendered by Bond Counsel as to the effect on the exclusion from gross income of the interest on the Series 2022A Bonds for federal income tax purposes of any action taken or not taken without the approval of Bond Counsel or in reliance upon the advice or opinion of counsel other than Bond Counsel.

Interest on the Series 2022A Bonds will not be an item of tax preference for purposes of the federal alternative minimum tax under the Code.

Original Issue Discount

The excess, if any, of the amount payable at maturity of any maturity of the Series 2022A Bonds purchased as part of the initial public offering over the issue price thereof constitutes original issue discount. The amount of original issue discount that has accrued and is properly allocable to an owner of any maturity of the Series 2022A Bonds with original issue discount (a “Discount Bond”) will be excluded from gross income for federal income tax purposes to the same extent as interest on the Series 2022A Bonds. In general, the issue price of a maturity of the 2020A Bonds is the first price at which a substantial amount of Series 2022A Bonds of that maturity was sold (excluding sales to bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents, or wholesalers), which may not be the same as the price shown on the cover page of this Limited Offering Memorandum, and the amount of original issue discount accrues in accordance with a constant yield method based on the compounding of interest. A purchaser’s adjusted basis in a Discount Bond is to be increased by the amount of such accruing discount for purposes of determining taxable gain or loss on the sale or other disposition of such Discount Bonds for federal income tax purposes.

Original issue discount that accrues in each year to an owner of a Discount Bond is included in the calculation of the distribution requirements of certain regulated investment companies and may result in some of the collateral federal income tax consequences discussed herein. Consequently, an owner of a Discount Bond should be aware that the accrual of original issue discount in each year may result in additional distribution requirements or other collateral federal income tax consequences although the owner of such Discount Bond has not received cash attributable to such original issue discount in such year.

The accrual of original issue discount and its effect on the redemption, sale, or other disposition of a Discount Bond that is not purchased in the initial offering at the first price at which a substantial amount of such Series 2022A Bonds is sold to the public may be determined according to rules that differ from those described above. Owners of Discount Bonds should consult their tax advisors with respect to the determination for federal income tax purposes of the amount of original issue discount with respect to such Discount Bonds and with respect to state and local tax consequences of owning and disposing of such Discount Bonds.

Bond Premium

The excess, if any, of the tax basis of Series 2022A Bonds purchased as part of the initial public offering to a purchaser (other than a purchaser who holds such Series 2022A Bonds as inventory, stock in trade, or for sale to customers in the ordinary course of business) over the amount payable at maturity is “Bond Premium.” Bond Premium is amortized over the term of such Series 2022A Bonds for federal income tax purposes (or, in the case of a bond with bond premium callable prior to its stated maturity, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on such bond). Owners of such Series 2022A Bonds are required to decrease their adjusted basis in such Series 2022A Bonds by the amount of amortizable Bond Premium

attributable to each taxable year such Series 2022A Bonds are held. The amortizable bond premium on such Series 2022A Bonds attributable to a taxable year is not deductible for federal income tax purposes; however Bond Premium on such Series 2022A Bonds is treated as an offset to qualified stated interest received on such Series 2022A Bonds. Owners of such Series 2022A Bonds should consult their tax advisors with respect to the determination for federal income tax purposes of the treatment of Bond Premium upon sale, redemption or other disposition of such Series 2022A Bonds and with respect to state and local income tax consequences of owning and disposing of such Series 2022A Bonds

Backup Withholding

Interest paid on the Series 2022A Bonds is subject to information reporting in a manner similar to interest paid on taxable obligations. While this reporting requirement does not by itself, affect the excludability of interest on the Series 2022A Bonds from gross income for federal income tax purposes, the reporting requirement causes the payment of interest on the Series 2022A Bonds to be subject to backup withholding if such interest is paid to beneficial owners who (i) are not “exempt recipients,” and (ii) either fail to provide certain identifying information (such as the beneficial owner’s taxpayer identification number) in the required manner or have been identified by the Internal Revenue Service as having failed to report all interest and dividends required to be shown on their income tax returns. Generally, individuals are not exempt recipients, whereas corporations and certain other entities generally are exempt recipients. Amounts withheld under the backup withholding rules from a payment to a beneficial owner would be allowed as a refund or a credit against such beneficial owner’s federal income tax liability provided the required information is furnished to the Internal Revenue Service.

Virginia Taxation

Under Section 15.2-5132 of the Code of Virginia of 1950, as amended (the “Virginia Code”), the Series 2022A Bonds, their transfer and the income therefrom, including any profit made on their sale, are free from taxation by the Commonwealth of Virginia and its political subdivisions.

Other Tax Consequences

The Code and the Virginia Code contain other provisions (some of which are noted below) that could result in tax consequences, upon which Bond Counsel expresses no opinion, as a result of ownership of the Series 2022A Bonds or the inclusion in certain computations of interest on the Series 2022A Bonds that is excluded from gross income for purposes of federal income taxation.

PROSPECTIVE PURCHASERS OF THE SERIES 2022A BONDS SHOULD CONSULT THEIR TAX ADVISORS AS TO THE APPLICABILITY AND IMPACT OF ANY SUCH COLLATERAL TAX CONSEQUENCES.

Ownership of tax-exempt obligations may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, certain foreign corporations doing business in the United States, certain S Corporations with excess passive income, individual recipients of Social Security or Railroad Retirement benefits, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations and taxpayers who may be eligible for the earned income tax credit.

Future Tax Developments

Future or pending legislative proposals, if enacted, regulations, rulings or court decisions may cause interest on the Series 2022A Bonds to be subject, directly or indirectly, to federal income taxation or to state or local income taxation, or may otherwise prevent beneficial owners from realizing the full current benefit of the tax status of such interest. Legislation or regulatory actions and future or pending proposals may also affect the economic value of the federal or state tax exemption or the market value of the Series 2022A Bonds. Prospective purchasers of the Series 2022A Bonds should consult their tax advisors regarding any future, pending or proposed federal or state tax legislation, regulations, rulings or litigation as to which Bond Counsel expresses no opinion.

LITIGATION

There is no litigation of any nature to which the Authority is a party pending or, to the knowledge of the Authority, threatened against it to restrain or enjoin the issuance, sale, execution or delivery of the Series 2022A Bonds, or in any way contesting or affecting the validity of the Series 2022A Bonds or any proceedings taken with respect to the issuance or sale thereof or the Authority's power and authority to issue the Series 2022A Bonds, or in any way contesting or affecting the validity of or application of the money or the security provided for the Series 2022A Bonds.

There is no litigation pending or, to the best knowledge of the Authority, threatened against it which, even if adversely determined against the Authority, would have a material adverse effect on the Authority's financial position or future operations.

There is no litigation pending or, to the best knowledge of the Developer, threatened against it or any of its related entities which, even if adversely determined against them, would have a material adverse effect on (a) the validity of the CDA Development Agreement, the Memorandum of Understanding, or the consummation of the transactions contemplated thereby, (b) the validity of any governmental approval of any development by the Developer within the District or any aspect thereof, and (c) the Developer's financial position or future operations or its ability to perform its obligations under the CDA Development Agreement, the Memorandum of Understanding or undertake any development in the District.

NO RATING

No rating has been sought or obtained with respect to the Series 2022A Bonds.

RELATIONSHIP OF PARTIES

McGuireWoods LLP is serving as counsel to the Underwriter and represents or has represented the Trustee on certain unrelated matters.

CONTINUING DISCLOSURE

The Administrator, the Developer, DRI/TCC and the Authority will provide certain ongoing information to the Series 2022A Bondholders. See Appendix E-1 – **“PROPOSED FORM OF THE AUTHORITY CONTINUING DISCLOSURE AGREEMENT”** and Appendix E-2 – **“PROPOSED FORM OF THE DEVELOPERS CONTINUING DISCLOSURE AGREEMENT”** for specific provisions regarding the obligation of the Administrator, the Developer and the Authority to provide limited continuing disclosure at specific times. Such information provided may not be all the information necessary to value the Series 2022A Bonds at any particular time.

The Authority is a newly formed entity and has not previously entered into a continuing disclosure undertaking under SEC Rule 15c2-12.

MISCELLANEOUS

The Authority has duly authorized the distribution of this Limited Offering Memorandum. The Developer has approved this Limited Offering Memorandum.

**WEST FALLS COMMUNITY
DEVELOPMENT AUTHORITY**

By: _____
Name: _____
Title: _____

Approved:

FCGP DEVELOPMENT LLC

[need complete signature block from Hoffman]

By: _____
Name: _____
Title: _____

Appendix A

Rate and Method of Apportionment of Special Assessments

Appendix B

Appraisal and Market Study

Appendix C-1

Proposed Form of the Indenture

Appendix C-2

Proposed Form of the CDA Development Agreement

Appendix C-3

Proposed Form of the Memorandum of Understanding

Appendix D

Proposed Form of Bond Counsel Opinion

Appendix E-1

Proposed Form of the Authority Continuing Disclosure Agreement

Appendix E-2

Proposed Form of the Developers Continuing Disclosure Agreement

Appendix F

Special Assessment Projection Report and Special Assessment Collection Procedures